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DRUG LAW ENFORCEMENT STRATEGY (DEA, Coast Guard, Customs)

HEARING BEFORE THE SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL HOUSE OF REPRESENTATIVES NINETY-EIGHTH CONGRESS FIRST SESSION

MAY 24, JUNE 8, 1983

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(III)

DRUG LAW ENFORCEMENT STRATEGY

TUESDAY, MAY 24, 1983

HOUSE OF REPRESENTATIVES,
SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL,
Washington, D.C.

The select committee met, pursuant to call, at 10 a.m., in room 2237, Rayburn House Office Building, Hon. Charles B. Rangel (chairman of the committee) presiding.

Present: Representatives Charles B. Rangel; Walter E. Fauntroy; William J. Hughes; Sam B. Hall, Jr.; Solomon P. Ortiz; Benjamin A. Gilman; E. Clay Shaw, Jr.; Michael G. Oxley; Stan Parriss; Gene Chappie; Duncan L. Hunter; and Tom Lewis.

Staff Present: John T. Cusack, chief of staff; Richard B. Lowe, III, chief counsel; Elliott A. Brown, minority staff director; Sandra J. Boek, assistant minority counsel; George R. Gilbert, counsel; James J. Heavey, press officer; Rebecca L. Hedlund, staff assistant; Edward H. Jurith, counsel; Michael J. Kelley, counsel; Ricardo R. Laremont, professional staff member; Dr. Martin J. Kurke, professional staff member; and Joyce Clement, professional staff member.

MR. RANGEL. The Select Committee on Narcotics Abuse and Control will open our hearings on Drug Law Enforcement Strategy.

This is the first hearing of the select committee in the 98th Congress. It starts a series on the general topic of Drug Law Enforcement Strategy. The committee's broad oversight responsibility charges us to cover all aspects of the worldwide problem of illegal drugs, including drug abuse prevention and treatment and the performance of many Federal agencies that deal with the situation.

Effective enforcement of the drug laws, of course, is a prerequisite for progress against the spreading threat of drug abuse in our population. Illicit supplies must be brought under control—and seen to be under control—to give education half a chance to complete its job.

It is appropriate that we have as our first witness the Acting Administrator of the Drug Enforcement Administration, Mr. Francis M. Mullen, Jr. Mr. Mullen comes here with a wealth of Federal enforcement experience as an FBI official before his present assignment as the head of the Drug Enforcement Administration.

As the lead agency in Federal drug enforcement, the DEA is our prime source of insight into how serious the current problem is, what the trends are toward worsening or improving the outlook, and the successes and failures of the many-sided enforcement efforts. In preliminary contacts, we have asked Mr. Mullen to provide us with answers today to several of our specific questions. More questions, of course, will occur during the hearing process.

I want to stress that our major objective is not to criticize what is being done, or has been done in the past, but to search out ways in which Congress can contribute to a strong antidrug effort in the months and years to come.

The Drug Enforcement Administration has borne a heavy burden and has a long list of signal achievements in the Nation's campaign against drug trafficking. We want to make certain that the DEA remains as effective as it has been and, of course, to improve upon it wherever Congress can make a contribution toward that. As the Administration reorganizes its forces on the drug front and reshapes its mechanisms of leadership, we hope that, through the Select Committee, we would have meaningful exchanges so that we can be supportive in areas where we fully understand the goals of the Administration and DEA. DEA's role is crucial, not only to our cities and our borders, but certainly as it relates to our foreign policy.

We begin our committee's inquiries with an open mind about how the battle is to be waged, but there are certain areas that we will be dealing with on our agenda that deals with the question of hardcore addicts and the problems that they cause, the social costs that are involved, the monetary costs, and the influence on our children. We do hope that we will be able to, through the Drug Enforcement Administration, at least start off in seeing how we can get a handle on these serious problems facing our constituents and the Nation.

There are ways to measure the effectiveness of the enforcement. We can look at the importance of the arrests, the convictions, but still we know that there is a serious problem on our streets. We hope, Mr. Mullen, that you fully appreciate that in public hearings—what Mr. Gilman and I and other members have said to you in private hearings—that we are seeking to be supportive.

It is very important that we have an understanding of some of the problems that you face. It would not do us good to try to create through these hearings a confrontation, but you have to appreciate that we do have a responsibility to our constituents that we take very seriously.

So while it is easy for us to talk in terms of the broad-brush approaches that our Government has taken as relates to strategy, we do hope that, in the course of these hearings and the hearings that follow, you will be able to have us, with some degree of confidence, return to our constituents to say what our Government is doing and, of course, to be able to say what our Congress is supporting.

I do hope that this hearing is just the first of a series of meetings that we will be having where we will be getting recommendations from you as to what the Congress can be doing better. There is no question that many of the members have legislation in the standing legislative committees that certainly they will be running by your office to see whether or not this would be a tool that could become effective.

If any of my colleagues on the committee have any statements, the Chair would recognize them.

Mr. RANGEL. Mr. Chappie.

Mr. CHAPPIE. I have no comments, Mr. Chairman. Thank you.

Mr. RANGEL. Mr. Lewis.

Mr. LEWIS. No comments, Mr. Chairman.

Mr. RANGEL. Mr. Oxley.

Mr. OXLEY. I will waive any comments at this time, Mr. Chairman. Thank you.

Mr. RANGEL. That being the case, Mr. Mullen, we know that you have a broad, comprehensive statement, which the committee members have received and, without objection, will be entered into the record. You may proceed the way in which you will feel most comfortable.

[Mr. Rangel's opening statement appears on p. 86.]

TESTIMONY OF FRANCIS M. MULLEN, JR., ACTING ADMINISTRATOR, DRUG ENFORCEMENT ADMINISTRATION, U.S. DEPARTMENT OF JUSTICE, ACCOMPANIED BY GENE HAISLIP, DEPUTY ASSISTANT ADMINISTRATOR, DIVERSION CONTROL, DEA; AND FRANK MONASTERO, ASSISTANT ADMINISTRATOR FOR OPERATIONS, DEA

Mr. MULLEN. Thank you, Mr. Chairman. It is a pleasure to appear before this committee, before yourself and the other distinguished members.

I might note, Mr. Chairman, that I have appeared before this committee on a number of occasions, but this is the first time under your chairmanship, and DEA looks forward to a long and fruitful relationship during your tenure as chairman of the Select Committee on Narcotics.

I am pleased to be here today to discuss the Drug Enforcement Administration's role in the implementation of the 1982 Federal Strategy for Prevention of Drug Abuse and Drug Trafficking.

As you noted, Mr. Chairman, I had a somewhat lengthy statement, and you have entered it into the record, so I will make some very, very brief comments at this time.

Mr. RANGEL. Without objection.

Mr. MULLEN. I am pleased to make available to the committee the latest report of the National Narcotics Intelligence Consumers Committee. This report was released last week, and it addresses in detail the worldwide drug trafficking situation. Rather than elaborate on the report's assessment of drug trafficking trends, I will speak directly to our Nation's drug law enforcement programs, and their application to the 1982 Federal strategy.

Mr. Chairman, in your recent letter, you noted that a vigorous domestic enforcement program is the only tool firmly in our hands with which we can expand and strengthen our efforts against the illicit drug traffic. I agree with this observation, and I would add that the education of our citizens about the hazards of drug use is also, an equally important undertaking within our control.

One of the key objectives of the 1982 strategy is to improve the management and broaden the involvement of Federal agencies in the fight against drug trafficking. Toward this end, the FBI has been given concurrent jurisdiction with DEA to enforce the Federal drug laws. This new alliance has added to the Nation's drug enforcement effort a complement of FBI special agents with expertise in financial investigations and organized crime. Together, DEA and the FBI are conducting more than 450 joint drug investigations

aimed at the upper echelons of organized crime and the drug traffic.

Another important objective of the 1982 strategy is to step up interdiction efforts against shipments of illegal drugs entering the United States. The Vice President's South Florida Task Force Initiative was implemented over a year ago in response to the violence and other drug-related crime in that region caused by the smuggling of cocaine and marihuana.

The task force operates through the cooperative efforts of DEA, the U.S. Customs, the Bureau of Alcohol, Tobacco and Firearms, the Department of Defense, and the U.S. Coast Guard. The combined efforts of these agencies have achieved notable success, not only in stemming the flow of illegal drugs into south Florida, but also in providing the opportunity to pursue significant follow-up activities, including financial and organized crime investigations. As a result of our cooperative efforts in south Florida, we have arrested nearly 1,300 violators and seized more than 3,000 pounds of cocaine, more than 780 tons of marihuana, and more than \$16 million in traffickers' assets.

In the area of domestic drug law enforcement, the 1982 strategy calls for the application of Federal resources to the range of key criminal activities associated with drug trafficking organizations. Recognizing the increased involvement of organized crime in drug trafficking, President Reagan recently announced an eight-point program to combat drug trafficking and organized crime. A major aspect of this new initiative is the creation of 12 regional Organized Crime Drug Enforcement Task Forces across the country.

Operating under the direction of the Attorney General, these task forces draw upon the law enforcement expertise of eight Federal agencies charged with investigating the highest levels of the organized criminal enterprise trafficking in drugs. To date, DEA is involved in 74 of these major investigations.

The task forces complement existing Federal enforcement efforts against drugs and organized crime through the application of additional resources. Last December, Congress appropriated \$127.5 million for the program; \$19.9 million of which was allocated to the DEA. We have already committed 270 senior Special Agents to the program. We are currently utilizing this funding, and expect to continue to allocate these additional resources on a timely basis.

A second major initiative aimed at the strategy's emphasis on interdicting drugs at our borders has been developed within the past 2 months. On March 22, the President announced the formation of the national narcotics border interdiction system. This initiative will complement the work of the task forces, and based on our experience in south Florida, will expand the interdiction concept to all borders of the United States. This new system is designed to monitor suspected smuggling activity and coordinate seizures of contraband and arrests of illegal drug importers by various Federal agencies.

Mr. Chairman, the implementation of these new initiatives enhances the Federal cooperative activities in which DEA has traditionally participated. Overseas, for example, DEA personnel work with the State Department and our diplomatic missions in support of host country efforts to eliminate cultivation, production and con-

version of drugs, and to stop shipments of drugs destined for the United States.

Domestically, DEA's investigative activities are conducted in cooperation with the FBI, U.S. Customs, the Internal Revenue Service, the Coast Guard, and other Federal agencies, and are integral parts of the Government's campaign against drug trafficking.

At the State and local levels, too, DEA has and will continue to play an important role. While the appropriate Federal response to the drug trafficking situation is to concentrate on the upper levels of the traffic, State and local efforts aimed at the middle levels are also important and require DEA participation and assistance to be most effective.

The DEA State and local task forces are currently operational in 19 areas. These are task forces in which DEA and State and local enforcement agencies work together to disrupt the illicit drug traffic in specified geographic areas. In addition, we customarily interact on an ad hoc basis with State and local agencies that do not formally participate in the program. DEA also supports the State and local effort through our training program and with laboratory support as well as intelligence exchange, both in the field and through the El Paso Intelligence Center.

Mr. Chairman, there are many other ongoing DEA programs that support the objectives of the Federal strategy. I will now outline a few of the more significant ones.

The abuse of prescription drugs is a major problem and is identified in the 1982 strategy. DEA has been very successful in its efforts to minimize diversion of legitimate controlled substances, especially at the manufacture and distribution levels. In recent years, we have accelerated our efforts to attack the growing problem of diversion at the practitioner level, doctors, pharmacists, clinics, and so forth.

The targeted registrant investigation program was developed in 1980 to direct available investigative resources toward the highest level of practitioner violators. During 1982, DEA initiated more than 300 cases involving willful diversion by practitioners, including the so-called stress clinics and storefront clinics, which act as prescription mills for controlled drugs.

In addition to its criminal diversion activities, DEA continues to promote the self-policing efforts of the pharmaceutical industry.

The Federal strategy recognizes the importance of adequate, timely, and reliable intelligence to the drug enforcement effort. The El Paso intelligence center, operated under the direction of DEA, continues to grow as a full-service intelligence center, providing 24-hour tactical intelligence to 8 Federal and 45 State law enforcement agencies. In the past year, EPIC supported intensified air and maritime operations in the Caribbean area, serving as the primary clearinghouse for operational intelligence data. Its contribution to increased information dissemination received from the military has been invaluable.

DEA continues to focus ongoing efforts on financial investigations involving international money flow and drug traffickers' assets. These investigations involve close cooperation among DEA, Customs, IRS, and the FBI. Financial investigations target not only the violators who profit from the drug traffic, but also the profits

themselves. During 1982, DEA, in cooperation with other agencies, was responsible for the seizure of drug-related cash and property valued at \$188 million.

One of DEA's most important programs in support of the 1982 Federal strategy involves the domestic production of marihuana.

During 1982, the domestic marihuana eradication and suppression program was expanded to include 25 States, 18 more States than participated in the 1981 program. DEA's role in this cooperative venture is to encourage State participation and to provide funding, training, and investigative and aerial support to State and local law enforcement agencies engaged in domestic marihuana eradication and suppression.

Last year, we provided the States with nearly \$1 million to help defray the expenses of their marihuana programs. The DEA air wing flew over 450 missions in support of State eradication efforts. By all measures, the domestic marihuana eradication program has been very successful: More than 2 million marihuana plants were eradicated last year, and over 2,500 violators were arrested. DEA is pleased that an additional 15 States have asked to participate in the 1983 program.

Mr. Chairman, the commitment of law enforcement agencies at all levels of government to the objectives of the 1982 strategy have allowed us to accelerate the campaign against domestic and international drug trafficking. As I stated earlier, I believe that we must work toward achieving those elements of the strategy within our grasp. This means, not only the vigorous pursuit of a strong law enforcement program, but also the dedication of our full energies in the areas of education and drug abuse prevention.

I strongly endorse the drug abuse prevention efforts of the First Lady, and the many programs with which she works. The continued interest and participation of our citizens are our most important allies.

The President has said that the campaign against drug abuse in the United States is a campaign which we cannot afford to lose. Mr. Chairman, I am optimistic that the progress we have made toward limiting the availability of illicit drugs in this country will continue. I am confident that we will reach a point where we see broad reductions, not only in the availability of drugs, but in the demand for them. DEA is proud of its role in this campaign, and we pledge our continued dedication to the goals of the Federal strategy.

This concludes my testimony, Mr. Chairman, and before answering any questions, I will introduce the two people accompanying me.

I do have Mr. Frank Monastero, who is Assistant Administrator for Operations at DEA; and Mr. Gene Haislip, Deputy Assistant Administrator for Diversion Control. I will be pleased to answer any questions at this time.

[Mr. Mullen's prepared statement appears on p. 90.]

Mr. RANGEL. Thank you, Mr. Mullen. We have been joined by several members, and I would advise the members that members were offered an opportunity to make opening statements.

The Chair recognizes Mr. Gilman.

Mr. GILMAN. Thank you, Mr. Chairman. I want to commend you for getting our hearings underway. I want to note for the record that our Chair has been very active in arranging for meetings with delegations from other countries, and meetings, informal meetings, with our agency heads, all of which have been extremely productive for us in planning our future work.

And I look forward, now, to digging into some of the strategy being pursued by our administration, and to assess the effectiveness of what they are doing.

As you stated, Mr. Chairman, the DEA is the lead agency in Federal drug enforcement and is a major component in the regional task forces to fight drug trafficking and organized crime. Our Select Committee is certainly interested in learning how these task forces are being implemented, their success, their roles, as well as the implementation of a Federal strategy.

We are also interested in learning the specific amounts of illicit drugs being produced in other countries and what we can do more effectively to try to limit those imports. Thank you, again, for arranging this hearing, Mr. Chairman.

Mr. RANGEL. Are there any other members seeking recognition at this time?

Mr. Mullen, I want to thank you for a broad, comprehensive statement. It certainly is a guideline that all Members of the Congress, and especially this committee can use to show how extensive the drug problem is in this country, and the problems that we have overseas.

I guess we have to start, then, getting involved in some of the more specifics, so that we would be better equipped to know, having recognized the problems, specifically what are we doing about it?

The question of the FBI's jurisdiction and the DEA's jurisdiction, have those matters been resolved?

Mr. MULLEN. I believe they have been resolved, Mr. Chairman. The Attorney General of the United States is this Nation's chief law enforcement officer, and he is the individual who is in command of the drug enforcement effort. He has granted concurrent jurisdiction to the FBI.

Mr. RANGEL. What kind of jurisdiction?

Mr. MULLEN. Concurrent jurisdiction to enforce the title XXI, or the drug laws. We have worked out guidelines between the two agencies. He has also placed FBI Director, Judge William Webster, in overall policy command of the drug enforcement effort.

What this means is that we determine the targets. We do not want to be working at cross-purposes. I do not want to be transferring 20 DEA agents into Chicago, while the FBI is transferring out 20. We want the FBI, for example, to concentrate their efforts on organized crime and on major—motorcycle gangs, and other types of organized crime groups.

But, with regard to who is in command, DEA remains the principal or lead drug enforcement agency in this country. DEA maintains the data base, the intelligence network. When other agencies are working drug cases, DEA may not direct each and every one of those cases, but we are aware of other activities and all investigative activities being conducted by other agencies.

In addition, DEA remains the principal and sole investigative agency handling overseas intelligence gathering and investigations, and does conduct investigative leads for all other agencies having a need for overseas investigative activity.

Mr. RANGEL. Weren't the lines a little clearer before we became involved with concurrent jurisdiction. The FBI, they weren't as involved in drug cases before, were they?

Mr. MULLEN. That is correct. They were not as involved until the Attorney General, in January of last year, granted them concurrent jurisdiction.

Mr. RANGEL. Well, how would we in the Congress statistically have an understanding as to how many conspirators and drug traffickers, were arrested and convicted by the Drug Enforcement Administration as opposed to other agencies which would have concurrent jurisdiction?

Mr. MULLEN. We could provide those figures. We track those very carefully, and can provide those figures to you.

Mr. RANGEL. Well, I think, for openers, that this would be the type of information that we would need. And broad arrests, as it relates to what is going on in Florida or any of the task forces, and seizures, don't help us in having an understanding of the problem unless we can find out who is in charge, did the arrests stand up, were there convictions, were there seizures, how much was involved—you can tell us now, what is the manpower of the Drug Enforcement Administration, as it relates to the manpower of the Federal Bureau of Investigation, or as it relates to Customs?

If we didn't have concurrent jurisdiction, how could we intelligently respond as to whether or not your resources were adequate when the Attorney General can say, "Well, it is not just DEA that has this responsibility, they have the resources of the FBI and other agencies in this area."

So, there is no problem in furnishing that type of information to us?

Mr. MULLEN. No problem at all, Mr. Chairman. We can give you exact figures in those areas.

[These figures are included in the letter of response on p. 51.]

For example, by the end of this fiscal year, with the Organized Crime Drug Enforcement Task Forces, the FBI now has the equivalent of 800 agents working in the drug area. When we have on board the additional authorized agents, including the 40 Customs agents who are working within the South Florida Task Force under DEA direction, we will have slightly over 3,000 agents involved in drug investigations.

But I can give you very exact figures for the record.

Mr. RANGEL. Well, tell me, what is the number of arrests that DEA is responsible for?

How many convictions has the DEA had? We hear from local and State governments that our Federal Government is involved in high conspiracy cases. How many of those convictions have we had in the last year? What type of cases are we talking about?

What cases are you proudest of?

Mr. MULLEN. You touch, I think, on the very heart of the issue, with regard to enforcement of the laws. You can make many arrests, but I think what is important would be the convictions, and

the quality of those convictions. I believe that in the past, we have concentrated a little heavily on the arrests. And I do not know the number of convictions, but I can get them, and will submit them for the record.

[These figures are included in the letter of response on p. 37.]

If you follow the DEA statistics closely, you will probably see a decline in the number of arrests. But, I believe you will see an increase in the number of convictions, especially in class I and II violators, as we concentrate our investigations at the very top, and target those who are responsible for directing and financing drug activity.

But, again, I will have to submit the number of convictions for the record to you.

Mr. RANGEL. Well, that would be specific convictions. But in view of the fact that your testimony points out that we have an explosion in the amount of drugs coming into the United States, and the amount of drug abuse, what cases in terms of drug enforcement, can we, as your partners in Government, be proud of?

I mean, I want to find out just what have we done in the last year or so, besides make the arrests, which, as you point out, is not as easy to be proud of as we are the number of people that we have put away, taken out of business.

What conspiracies have we broken as a Government?

Mr. MULLEN. I could submit a list, but I will cite some of the dozens of magnificent cases we have made. I have to say, the one that comes to my mind immediately is the young boys' case in Detroit, where we had over 300 young teenage boys, down to grammar-school level, being used as drug runners in Detroit. This group had been operating for years, and we were finally able to penetrate and arrest those who were conducting this operation. As one defendant was being taken to prison, he made the statement that "I am bigger," and it is an ongoing investigation, but the case involving a major auto figure in California—he said, "I am bigger than him. My bail will be higher than his."

Well, it turned out, it was a tie. He was being held at \$10 million bail. This points up the significance of the case.

Mr. RANGEL. Could you give me a profile on the defendants, or the major defendants?

Mr. MULLEN. I will do that.

I would like to cite two organized crime cases that were developed within weeks of each other in New York just near the end of last year.

One was a singular effort on the part of DEA. The other, a joint FBI-DEA investigation involving numerous wiretaps. The agents told me, after the case was concluded, that we got people we were never able to get before. A year and a half ago, we would not have been able to work this type of case.

Mr. RANGEL. What kind of people are we talking about? People with long records, organized crime people, businessmen?

Mr. MULLEN. Organized crime figures and some that we know have been involved in trafficking for many years, some of whom were arrested 10 or 15 years ago, and some who have been released from prison and arrested again.

Mr. RANGEL. Well, I don't know, but years ago, when you and I started, there used to be organized crime families. We used to be able to identify people in businesses that we didn't expect to be in organized crime.

Could you identify, for the record, the type of arrests that were made that would clarify the priorities that you have given your type of investigation, as opposed to what is normally left to local and State? I am speaking of convictions.

Mr. MULLEN. I think we can, not by name, but the type would be members of organized crime families.

Mr. RANGEL. Why couldn't we have names, since we don't want any confidential information, we are talking about convicts that have been arrested, prosecuted, and convicted.

Mr. MULLEN. What I would like to do is give those for the record, to make sure I do not mention a pending case, and cause difficulty there. I am not sure which are pending and which are not.

Mr. RANGEL. No, no, please. I don't want to know anything about pending, but we have had this war against drug trafficking for a couple of years, and I am not trying to pinpoint you as to any one case, I am just trying to establish what cases, what criminal families, what conspiracies, by name, would typify the successes that you have had in terms of convictions?

Mr. MULLEN. I consulted with Mr. Monastero, he said he would have the same problem, he can't recall which ones are convicted, which ones are pending, and if we could, we would like to submit that for the record.

Mr. RANGEL. OK, but you do understand the embarrassment that we have as Members of Congress to try to convince local law enforcement what we are doing. And I do hope that we can get that information.

Mr. MULLEN. Mr. Chairman, in addition to my other duties, I am chairman of the Narcotics Committee of the International Association of Chiefs of Police. We discuss these matters on a regular basis, to let them know what we are doing and where we can interact with them.

Mr. RANGEL. OK.

About our overseas operation, are we correct in assuming you are the lead agency in terms of developing cases that involve foreigners?

Mr. MULLEN. That is correct; yes, sir.

Mr. RANGEL. Now, what cases have we had that have led to convictions and seizures, and what governments have been the source country, and have any foreign government people been involved in these type of cases, to get a handle, basically, on the same question that I asked as it related to interstate trafficking. Internationally, what kind of cases have you made?

Mr. MULLEN. We have had a number of significant cases in this area. For example, we had a recent case in Chicago where Thai diplomatic officials were involved in drug trafficking, and this case was developed by DEA.

We have had diplomatic officials from other countries involved in trafficking activities and arrested in New York. But I think the most successful effort was the one involving Colonel Arce Gomez, the former Minister of Interior for Bolivia. In this case, we had

actual institutional involvement on the part of the Bolivian Government when Arce Gomez was the Minister of Interior. We have successfully investigated that case and do not yet have convictions, we do have indictments. But another step, which I believe is a positive step, is that Arce Gomez is being held in Argentina without bail for return to the United States and prosecution.

We had the recent case in south Florida where a number of officials, including four government officials from Cuba, were indicted for drug trafficking activities. We have successfully prosecuted some of the individuals involved, but the four Cuban Government officials have not shown up for trial.

Mr. RANGEL. Who would your counterpart be in the State Department to coordinate your overseas operations in narcotics?

Mr. MULLEN. Dominick DiCarlo, Assistant Secretary of State for International Narcotics Matters.

Mr. RANGEL. Where you have agents, if it did involve foreign government officials, you operate through Assistant Secretary DiCarlo? Is that it?

Mr. MULLEN. No, we do coordinate with them. The State Department effort involves mainly the crop eradication and crop substitution programs and encouraging other governments to take forceful action.

DEA is operational and is involved in investigative activities.

Mr. RANGEL. Yes, but when your investigation leads to some foreign public official, I assume that you stop your investigation, and discuss this matter with somebody involved with the Secretary of State.

Mr. MULLEN. We would coordinate with State.

Mr. RANGEL. That is my point. And that person that you would coordinate with would be Assistant Secretary Dominick DiCarlo?

Mr. MULLEN. He would be aware of it, but we may go to a higher level, or to the State Department desk covering that particular area. For instance to the Latin American desk official in charge of that operation.

Mr. RANGEL. Well, have you had any experience where this matter had to get on the agenda of the Secretary of State?

Mr. MULLEN. I am advised that not the Secretary of State, but perhaps at the Assistant Secretary of State level. With regard to Arce Gomez, Assistant Secretary of State Andrews became involved.

Mr. RANGEL. Are you satisfied with the strength of the number of drug enforcement agents that we have in drug-producing countries?

Mr. MULLEN. To say I was fully satisfied would not be accurate. For example, we need more agents in Bolivia. I recently visited Bolivia, and became acutely aware of that, and we are now sending four more agents there. While I am satisfied with the total number we have overseas, we have to constantly move them to where they can be most effective and most useful.

Mr. RANGEL. Mr. Mullen, I have a series of more specific questions which I am going to submit to you, none of which I hope will be drafted to get confidential information on ongoing cases, but I think the committee is going to have to know what DEA is in

charge of, as opposed to the FBI and Coast Guard and Customs, and also a better understanding of its effectiveness.

And the only measuring rods that we have is who has been arrested, who has been convicted, who are these people, and how can we go back to local and State government, and say, "There was a major conviction in your city, in your State, and the reason for this is because of our support of DEA's effort."

By the same token, I will be sending questions and see how far I could go in getting answers that do not violate your responsibility the State Department of how deeply involved are other countries, other public officials in other countries, and whether or not our existing—and whether we are giving assistance to these countries, economic or military assistance to countries that may fall short of some of the committee members' belief is cooperation.

So, rather than take up the time of the committee with this exchange, I will submit those questions to you.

Mr. MULLEN. Thank you.

Mr. RANGEL. Mr. Gilman.

Mr. GILMAN. Thank you, Mr. Chairman.

Mr. Mullen, in the past, we have always looked to DEA for the kind of outstanding work that it has been performing in the international arena in major drug-producing areas, and have come away with a feeling that DEA has been doing an outstanding job out there in battlefield, and we hope they continue to do it.

And of course, our primary responsibility and function as a select committee is to find ways in which we can make our national and international efforts even more effective. We hope that you will be frank with us in pointing out areas of need, and where we can be of help to the agency and to the national strategy.

Now, having said that, can I ask you, what has been your responsibility as the Acting Director, in helping to formulate a new strategy for interdicting and reducing drug trafficking and drug abuse in our Nation?

Have you had an active role and been a participant in formulating strategy and policy?

Mr. MULLEN. We have had a very active role. I am often asked, by nature of the investigative effort, whether our efforts should be directed at interdiction, domestic investigations, overseas investigations or intelligence gathering. With regard to DEA, you have to say all of the above.

No one has questioned the expertise and the ability and professionalism of the DEA agents and the agency as a whole. It has been a problem with perhaps not enough personnel, but we are trying to remedy that now.

DEA is a member of the Attorney General's Cabinet Council on Legal Policy and the subworking group on drug supply reduction. Mr. Monastero, the Assistant Administrator of Operations, represents us on that committee.

I, personally, attend the sessions of Dr. Carlton Turner's White House Working Group, where I have input on policy.

Mr. GILMAN. How frequently do you meet with them?

Mr. MULLEN. Once a month.

Mr. GILMAN. Is that truly a policy-formulating group? Is this a group that plans national and international strategy?

Mr. MULLEN. I believe that it is. All of the agencies involved in any way in the drug trafficking effort attend these meetings. We provide information regarding our current activities and Dr. Turner has direct access to the President. I am sure that it is truly a policy formulation group.

Mr. GILMAN. Have you found that there is an immediate response to some of your needs as a result of your working with the Cabinet Council on Legal Policy?

Mr. MULLEN. If you mean immediate needs with regard to personnel and equipment, normally I would go through the Department of Justice and through the Attorney General.

Mr. GILMAN. Where do you see some major need to revise policy. Has the responsiveness been quick and effective?

Mr. MULLEN. I believe that it has. I would have to have specific examples to comment specifically. But before I would put forth a proposal on a major policy initiative, I would consult with Judge Webster and with the Attorney General to make sure it is consistent with departmental policy.

Mr. GILMAN. Have you made some recommendations with regard to policy?

Mr. MULLEN. Yes, I have made recommendations.

Mr. GILMAN. Have they been fulfilled? Have they been pursued?

Mr. MULLEN. Yes, I believe they have.

For example, I believe that the overseas initiatives are important. We have to work with foreign governments with regard to crop eradication and crop control. However, I believe that these answers are several years down the road, and that we should stress the efforts that we can control. That is what I was alluding to in my opening statement; and that is, domestic enforcement and education. And I believe that my philosophy in that area as a matter of policy is being considered at the highest levels.

Mr. GILMAN. Would you like to see a shift to more emphasis on domestic control than on the international effort?

Mr. MULLEN. I don't know if it would constitute a shift. Because we can control where we place agents and the cases which are prosecuted in the United States, we should emphasize our domestic enforcement efforts. And we are going to pursue this prosecutive policy.

Sometimes we have difficulty, for various reasons, in gaining the cooperation of a foreign government with regard to the drug effort. It takes time. We have to consider their national priorities and internal problems. So, I believe we should stress that which we can immediately control and influence, and that is, the education, the rehabilitation, and the domestic enforcement effort.

Mr. GILMAN. Well, I would hope that in making that statement that you are not giving up the effort to try to convince foreign nations to reduce their production of illicit narcotics.

Mr. MULLEN. Absolutely not. In fact, we have to continue to emphasize that. I think it has been emphasized by the Attorney General's recent trips to Southeast Asia, Southwest Asia, and Europe, as well as to Latin America.

No, I am not saying we should dispense with those programs. They are vital. One of the five facets of the Federal strategy is overseas cooperation. But, what I am saying is, that the answer is a

little way down the road. We shouldn't look for that solution tomorrow.

Mr. GILMAN. But that would be a much more effective response if we can convince a producing area to reduce or eliminate its supply, rather than to disperse thousands of agents across our country trying to interdict it once it hits our own Nation. Isn't that so?

Mr. MULLEN. Absolutely. If we could eliminate the supply and the demand.

Mr. GILMAN. Well, of course, to eliminate the supply, then we have to concentrate on those foreign nations that are producing.

Mr. MULLEN. And we are doing that.

Mr. GILMAN. Well, let me ask you, we are supposed to be concentrating on some of those foreign nations. Why is there such a divergence in the way you assign personnel overseas?

For example, I note that in the major producing areas, that the number of our agents that have been assigned to Pakistan, and Mexico have not been in direct proportion to the amount of narcotics coming out of some of those areas.

You have requested an increase of some \$869,000 and nine positions to reinforce agent strength in select European and Middle East transshipment points on Southwest Asian trafficking routes.

DEA presently has only seven agents assigned to Pakistan, and six assigned to Italy. However, you estimate that 54 percent of the heroin entering our Nation is of European and Middle East and Southwest Asian origin, the bulk of which originates in Pakistan and Italy.

Mexico and Thailand, on the other hand, are responsible for 32 and 14 percent, respectively, of the heroin supply entering our Nation. Yet, the DEA has stationed 29 agents in Mexico and 26 agents in Thailand.

How do you allocate and prioritize your overseas duty assignments? It seems to me that there is something out of proportion here.

Mr. MULLEN. We allocate agents on the basis of where the agents can be most effective. Addressing Italy first. We believe that six agents are adequate at this time, because Italy, is an industrialized nation, and has very competent law enforcement agencies. Our role in Italy is more of intelligence exchange and working on investigations with Italian authorities.

With regard to Pakistan, we have seven agents there, we are adding an eighth. With regard to source countries, we put the agents there in the numbers to the degree to which they can be effective.

Mr. GILMAN. If I might interrupt you just a moment. Forgive me, because our time is short.

Are you saying that in Italy, we can't be that effective if we put more agents in there, that their effectiveness is somewhat limited?

Mr. MULLEN. We have to prioritize. If we had unlimited numbers, we may want to put a few more in Italy.

Mr. GILMAN. But you have most of the heroin—over 50 percent—coming through that gateway.

Mr. MULLEN. We must depend on Italian authorities to conduct the investigations and develop intelligence in the cases, and they are doing a good job.

Mr. GILMAN. Why must we depend completely on Italian authorities? Isn't it important that we have a presence and be involved in those efforts?

Mr. MULLEN. We are involved. But, as I have indicated, they have competent—three very competent police agencies in Italy conducting investigations. We may not find this in a less developed country.

We need the agents in the countries you mentioned: In Pakistan and some others. Of course, Latin American, Peru and Bolivia, where we do not have the sophisticated law enforcement that we have, for instance, in Italy.

If I could go on—

Mr. GILMAN. Well, what about Pakistan, where you only have seven agents? That is the major producer in Asia.

Mr. MULLEN. That is correct. For many years, we were not getting the response in Pakistan.

For example, when I visited Pakistan last November, the local DEA agents there had identified 28 laboratories in the so-called tribal areas, about which nothing was being done.

We could have put two more agents in there, and identified another five laboratories, about which nothing would have been done but we weren't getting the response we wanted to have. Now that is changing, especially after the Attorney General's visit. The Pakistanis are now going in and they are destroying these laboratories.

So, based upon that, the better exchange of information, and a better working relationship, we are in the process of increasing the number of people in Pakistan. We are going from seven to eight.

Now, going on to Thailand, we have had a very effective operation there. The Thai authorities are very cooperative. They are conducting enforcement efforts up along Thai-Burmese border, and we find them very receptive to exchange of intelligence, so I do not want to dismantle an effective operation just because the number should be higher in some other countries.

The same could be said of Mexico. Mexico is an adjoining nation. We have extensive investigative activity involving Mexico, and we need the number of people we have there. It is, also, not a single drug country. We have, in addition to heroin, a marihuana problem with Mexico. So the numbers are adequate.

In summary, I am saying if the agents can be effective, for example, if 15 agents can be effective in Pakistan, we will put them there. We are evaluating, on a continuing basis, how many agents we need and how effective they can be.

At one point, in Bolivia, we were getting no cooperation at all under a prior government. We took every DEA agent out, because they were doing no good at all down there. In fact, their lives were in danger. Now they are back in there. We have four, and we are going to build that to eight, and even higher, if necessary.

Mr. GILMAN. Well, it would seem to me that some of the producing statistics should weigh a little more heavily with regard to the number of agents assigned, even if there may be an initial lack of cooperation. That is something that our State Department should

be working on and straightening out. Perhaps legislation that our committee has been stressing and which was adopted in our Foreign Affairs Committee—to cut off foreign aid to some of these drug-producing countries—may be a help to you in the future.

I would hope that you would give a little more attention to the substantial amount of narcotics coming out of these countries with regard to the assignments that you are making.

Now, let me shift for a moment to another area.

I note that one of our major strategy and policy formulations had to do with the antidrug task forces that had been set up, 12 special narcotics task forces that the President announced back in October.

He said at that time, "The time has come to cripple the power of the mob in America." We applauded that statement, and hoped that there was going to be some new initiative. I still hope that will be the case.

However, I was very much concerned when I read a New York Times analysis on May 1, 1983, that showed that we are falling behind in organizing, and that, although Congress had provided some \$127.5 million for the program, less than \$7 million had already been spent.

Why is there such a delay in implementing this program that was announced back in October? Here it is, 7 months later, and we still are way behind.

Mr. MULLEN. I believe the article is dated—

Mr. GILMAN. May 1, 1983.

Mr. MULLEN [continuing]. And not entirely accurate.

DEA is to commit 270 agents to the task forces, and all have been committed. Where we are having a little bit of difficulty is recruiting the agents to bring on board to replace those that have been assigned to the task forces.

We want to do this very systematically. We want to hire the type of person we need, and is qualified to be a DEA agent, or an FBI agent, or whatever the case may be.

There was a little lag time in selecting the cases to be investigated by the task forces. We have now speeded up that process, and if I may, Congressman Gilman, I would like to send you an updated report as to how much we have spent and committed to the task force efforts.

I am confident that we are going to have a successful program.

Mr. GILMAN. Well, I would certainly welcome that. Mr. Chairman, I would like to ask that that report be a made a part of the record.

But let me ask you why 200 U.S. Attorneys were recommended, and only 45 positions were filled? What takes so long to assign U.S. Attorneys to these task forces?

Mr. MULLEN. That would be something that is not under my direction, but I can speculate that perhaps we had to have the cases for them to prosecute before they could be assigned to the task forces.

Mr. GILMAN. There weren't any cases for prosecution in this 8-month period?

Mr. MULLEN. There are, but it takes time to develop the cases. I am sure you are aware, having been—

Mr. GILMAN. I am aware of severe backlogs in almost all of the metropolitan areas that need attention——

Mr. MULLEN. And they are not getting attention.

Mr. GILMAN. And they are not getting attention. And that is why I am asking you, why we are taking so long to put attorneys in these special task forces?

Mr. MULLEN. Well, I would venture to say that it has gone beyond 45 now, and the cases take time to develop, and we are now seeing the first convictions, indictments in some areas, and it is just starting now to gather some momentum.

It does take time to get a monumental program such as this off the ground. But from what I have seen, the type of cases that they are working, investigations that are being conducted, I am confident it is going to be a very successful program.

Mr. GILMAN. Well, this sort of delay doesn't encourage the Congress to respond quickly to fiscal leads of such a task force, when \$127 million has been allocated, and 8 months later only \$7 million has been spent, and these positions are left unfilled in a very critical problem.

And I would hope a great deal more attention could be given to all of that.

I know my time has run out, and I regret that I am overextending, but I have one other question.

Our committee is concerned with the dismantling of the DEA narcotics intelligence analysis capability abroad. Some of us feel that that economy move is ill-advised. The only remaining intelligence analysis operations we find are in Mexico, South America, and Bangkok.

DEA has, again, estimated that 54 percent of the heroin comes from the European-Middle East-Southwest Asian area, and yet, that area has no intelligence analysis capability. Could you comment on that for us?

Mr. MULLEN. Yes, we haven't dismantled an intelligence analyst network. I believe the change in numbers has been from 13 down to 9 in overseas activities, but it is the intelligence gathering that is important. We have analysts assigned at headquarters in Washington to analyze the information. I think the information that they receive to analyze is important, not where they are located. We do have some analysts assigned for technical intelligence support in field offices at various locations around the world. The information is still being collected, it is just perhaps a report, that a strategic report, is being prepared at a different location, mainly here in Washington, or at the El Paso Intelligence Center.

Mr. GILMAN. All right. I regret that my time has run. Thank you, Mr. Chairman.

Mr. RANGEL. We hope that we may have time to get a second round, but I do want the members that have other commitments to inquire.

Mr. Chappie?

Mr. CHAPPIE. No, thank you, Mr. Chairman.

Mr. RANGEL. Mr. Lewis?

Mr. LEWIS. Thank you, Mr. Chairman.

I am concerned about the statement in your testimony referring to a world glut of narcotics and dangerous drug abuse. In other

words, we have a glut with these narcotics. How are we going to reduce this glut?

Mr. MULLEN. I think, Congressman Lewis, that the Federal Strategy addresses that. We have to concentrate on all areas. I would hope that earlier I didn't infer that we were deemphasizing our overseas operations, we are not.

We have to concentrate our efforts overseas at crop eradication and crop substitution. We have to enhance our enforcement efforts here at home, and we are in the process of doing that with the Organized Crime Drug Enforcement Task Forces, with the interdiction-type task forces, and we also must continue our education, prevention, and rehabilitation programs, and of course, the research programs into ways to deal with drug addiction.

I might say we are seeing an unusual phenomenon that, whereas at one time, we would see heroin availability up in certain areas, (for example, Southwest Asia, Pakistan, Iran, and Afghanistan), and then, maybe a shift to Southeast Asia and then to Mexico; however, now we are seeing an influx from all three areas. We don't have any droughts or any weather impediments, and we are seeing availability from all three areas. This is what we believe is responsible for the heroin availability. And in addition, there seems to be a demand for cocaine in this country. In fact, that is the drug of choice right now among many people. There are an estimated 15 million Americans involved in cocaine use.

With regard to marihuana, it is available, but we are seeing, for the first time, a slight decline in demand and availability, so maybe that is a success story. We do see many of the depressants, stimulants, hallucinogens available, too, but even here, we have had some success, specifically methaqualone, where we have estimated a 40- to 50-percent reduction in the number of injuries and overdose deaths.

So we do have a serious problem, but in some areas, we are seeing signals of progress being made.

Mr. LEWIS. Well, as far as our international relations are concerned, what kind of progress do we see in reducing the amount of crops, such as coca leaf and what have you? Are we taking away almost the total economy of the country of Colombia in South America?

How are we working internationally in order to reduce the proliferation of marihuana coming into this country from Colombia?

Mr. MULLEN. With Colombia, through diplomatic initiatives, we are encouraging them to undertake crop eradication and crop substitution. They have not progressed as well as we would like in this area. There have, on the other hand, however, been substantial efforts on the part of Colombian law enforcement authorities to interdict the drugs.

In other source countries, Bolivia and Peru in Latin America, the United States as well as UNFDAC, (the United Nations Fund for Drug Abuse Control), had funded programs for crop substitution and eradication.

As I indicated in earlier testimony, these are very slow-moving programs. You have to overcome centuries of tradition. And in some areas, the very issue you touched on, the impact upon the economy. But, during our recent trip to Latin America, we visited

Peru and Bolivia and did receive assurances that those governments would proceed with these eradication programs.

However, the progress has been slow.

Mr. LEWIS. You mentioned that you see a decline in the use of marihuana. Are we talking about a decline in the use of marihuana from outside the United States?

Mr. MULLEN. We have detected a significant reduction in the amount coming in from foreign countries, especially Colombia.

We have, at the same time, seen an almost-corresponding increase in the amount of domestic production; however, we are working on an enhanced domestic eradication program. I believe the reason for this reduction has been the educational effort, especially in our high schools, where we have noted a decline for 3 years in a row. I think a big factor has been the educational effort.

Mr. LEWIS. I think you may have hit it, Mr. Mullen.

Mr. Chairman, for the committee's information, and I am sure Mr. Mullen can verify this, it is estimated that 25,000 tons of cultivated marihuana with a street value of approximately \$52 billion annually, is presently being grown in our National Parks.

Didn't you appear before our Justice Subcommittee in Government Operations?

Mr. MULLEN. My Deputy Administrator—I have been up here so many times, I had to stop and think. My Deputy Administrator appeared, I believe he referred to the 1,600 tons eradicated in 1982.

Mr. LEWIS. I disagree with that, I believe the correct estimate was 25,000 tons with a \$52 billion street value. Isn't it a fact that marihuana cultivated in the United States is a better marihuana than that which is grown in Colombia? Therefore, would they not prefer to pay the higher street price?

Mr. MULLEN. That is correct.

Mr. LEWIS. And at that time, I believe your Deputy stated that you were not actively fighting this domestic marihuana cultivation.

I noticed in your report, however, and in your statement, that you indicated you have quite an active effort in this area.

Mr. MULLEN. We do, and not only in cooperation with the States—and there will be 40 States in this year's eradication program—we have an ongoing effort involving our national forests and national parks, where we will be cooperating with the park police and forest rangers to conduct eradication efforts in those areas.

Mr. LEWIS. Do you feel that you have funds and agents sufficient for fighting domestic cultivation?

Mr. MULLEN. It depends on how deeply DEA is going to be involved in it. We have taken the posture with regard to the States that this should be a State effort. DEA's role has been one of training observers, conducting flights, and locating fields, with the eradication actually being done by sheriffs, local police, State police, and the National Guard.

So, my answer would be yes on the basis of the manner in which the program is being conducted now. We now have word that 10 States involved in this year's eradication effort have decided to utilize their National Guard in the eradication effort.

So, with the nature of the program as it is now, this year's effort, yes, I believe we have it adequately funded.

Mr. LEWIS. Thank you, Mr. Chairman. I'll have questions later.

Mr. RANGEL. Very good.

Mr. Hall?

Mr. HALL. Thank you, Mr. Chairman.

Mr. Mullen, I enjoyed what you said here today, and I noticed in your statement that you indicate that the goal of DEA is to stabilize, then minimize the drug problem, by vigorous law enforcement action, designed to disrupt criminal and drug trafficking organizations.

On page 3 of your statement, you state that the increase in the heroin availability and abuse in the United States is largely attributable to the continued availability of heroin from all three source areas.

Then you list some of these areas. You said a moment ago that it is difficult to demand of a foreign country that they do something that we wish to be done to try to eliminate, I presume, the source area.

When you go into an area that you know, from your investigation, is rich in this source material, that is causing all the problems, and the high officials in that country are dragging their feet in helping you.

What can you do to make them conform to what we desire that they do?

Mr. MULLEN. There are many things we can do. DEA works effectively, in most areas, with foreign police officials. So, with regard to investigations, I believe we are doing well in most areas. The problem is in the area of the will or the commitment of some foreign governments to really undertake effective eradication and enforcement programs.

The political support, such as we receive in this country, is what would be absolutely essential. We can only continue, through diplomatic efforts, to indicate to these countries the nature of the problem we have in this country, and point out to those countries where it is a problem, that they are developing an addict population of their own, and must act now or they will have serious problems in the future.

Mr. HALL. Have there been any countries that have refused, adamantly refused, to allow DEA agents to enter their country to work on this problem? Without naming the countries specifically, what part of the world are they located in?

Mr. MULLEN. I know of no country that has refused DEA admittance or refused to work with us.

Mr. HALL. We have been handed a paper, I presume from the record that we have before us, I am sure you have it, showing the number of agents in countries throughout the world.

Mr. MULLEN. Forty-two countries, I believe.

Mr. HALL. One hundred and seventy-eight, the grand total.

Mr. MULLEN. That is right.

Mr. HALL. Do all of the countries listed on this paper know that these agents are working within the borders of their countries?

Mr. MULLEN. I would like to see that, if I may. Let me just take a look to be sure.

Yes, every country listed here is aware of the DEA agent activity within their borders.

Mr. HALL. And then, I assume that the countries that are listed on this sheet of paper are working in a partnership arrangement with the United States in trying to help minimize or solve this problem?

Mr. MULLEN. That is correct, Congressman Hall, some to a greater degree than others, but the answer to that is also yes.

Mr. HALL. Have you found any areas in the world where this heroin, or whatever the product might be that is being harvested and grown, is of such prime importance in the economy that some of the leaders of these countries are hesitant about doing anything to hinder the growth of that product in that country, even though it may be causing problems here and may be causing problems in their country, but from a dollar-and-cents standpoint, they wish for it to continue?

Mr. MULLEN. Not with regard to heroin. I suspect that would be more the case with regard to cocaine in Latin America, where there is, perhaps, some concern with the impact upon the economy.

Mr. HALL. Thank you, Mr. Chairman.

Mr. RANGEL. Mr. Oxley?

Mr. OXLEY. Thank you, Mr. Chairman.

Mr. Mullen, are you satisfied with the current statutes in relation to seizure and confiscation in your particular work? And if not, what would you suggest to the Congress to change in those statutes?

Mr. MULLEN. There are several bills pending before the Congress relating to asset seizure and forfeiture. And we would like to see changes that would facilitate the procedure. For example, with regard to administrative forfeitures, I believe the figure now is \$10,000, and we would ask that that be raised to \$100,000, because in many cases, we seize vehicles that are worth \$50,000, and we have to wait sometimes months and even years before we can acquire the property. So, we would support legislation to facilitate the asset seizure and forfeiture procedures.

Mr. OXLEY. I wonder if you would comment to the committee about the use of various vehicles for the importation of drugs into this country? I know there has been a lot of talk lately, I think there is legislation in the Senate, if not in the House, relating to the use of airplanes, and their ability to penetrate the borders quite successfully in many cases.

Do you have any comments about that particular legislation and if indeed you do, what might you recommend as far as the use of airplanes—perhaps confiscation and increasing the penalties for use of that type of vehicle?

Mr. MULLEN. Congressman Oxley, are you referring to the legitimate passenger airlines?

Mr. OXLEY. No, I am specifically talking about private aircraft, and some of the legislation that has been introduced recently that would deal not only with increasing the monetary fine and the incarceration time, but also with the ability of the authorities to retract the license, for example, of a particular pilot who engaged in that type of activity.

Mr. MULLEN. We do have procedures now that allow for seizure of the aircraft, but my earlier comments would apply toward facilitating this procedure. I would support this type of legislation, and

also, removing the license and seizing the aircraft and assets of the trafficker.

Mr. OXLEY. Mr. Mullen, to what extent do paid informants play a role in the area of drug investigations? And are they, indeed, more crucial to drug investigations than, let's say, bank robberies or other crimes that the FBI, for example, would be involved in?

Mr. MULLEN. The use of informants as sources is essential to all investigative activity, but critical to drug enforcement. We have to have a core of knowledgeable sources who can provide us information, because often, information from sources is the basis for other investigative activity such as the setting up of an undercover operation, developing probable cause for a wiretap and identifying or providing intelligence on those people or groups who are involved in drug trafficking.

So, a sound informant program is absolutely essential to drug enforcement.

Mr. OXLEY. Is that coordinated out of the El Paso Intelligence Center, or how is that administratively handled?

Mr. MULLEN. The informant program is coordinated out of Washington, D.C., and is part of our investigative support section.

Mr. OXLEY. Could you bring us up to date on the status of the BANCO shares case, which I think has been a well-publicized and very successful operation in south Florida?

Mr. MULLEN. The BANCO shares case, I believe, is pretty well completed with regard to the investigative and prosecutive activity. I do not recall the number of indictments and convictions or the assets seized, but I could provide that for the record, Congressman Oxley.

Mr. OXLEY. Thank you.

I would just simply say that that is clearly one of the really good stories that have come out of the investigatory efforts, not only in south Florida, but throughout the country. And I think that everyone that was involved in it deserves a great deal of credit, which brings me to my next question, and that is:

Are you satisfied that the current Federal statutes dealing with the type of problem that has developed in the drug culture, that is the tremendous amount of cash that goes through, and indeed into banks in this country? Are you satisfied that the current statutes are strong enough, and if not, would you recommend changes, and if so, what changes?

Mr. MULLEN. I believe the statutes are strong enough. The Bank Secrecy Act requires that transactions of \$10,000 or more be reported to the Internal Revenue Service. If financial institutions comply with the act, I believe it is strong enough. The Treasury, DEA, and Customs working together have pursued a number of investigations in that area.

I personally do not have any recommendations. I might ask my Deputy Assistant Administrator for Operations if he has any thoughts in the area?

Mr. MONASTERO. Congressman, I would like to go back to an area you touched on before, and that would be broader legislation with respect to bail and sentencing. I think those are the areas where we would like to see Congress enact legislation.

I think it is more a question of what happens to the individual. You touched on taking an individual's license away. I think that is a good law to pass, but I think that the more critical issue is for the whole system to work together. When a person is successfully prosecuted and convicted, that person should face a defined jail term. I think that would help us more than anything else.

Mr. OXLEY. Excuse me, if I could interrupt. Are you speaking then in terms of a determinate sentence type of procedure that is being currently debated in the Senate, for example?

Mr. MONASTERO. Yes, I am. I think that would be the most definitive action that the Congress can take, both with respect to sentencing and with respect to bail as well.

Mr. MULLEN. Mr. Monastero doesn't have anything to add to the area of financial transactions.

Mr. OXLEY. So I take it that at least you are fairly well satisfied with the Bank Secrecy Act on the books, and as long as it is complied with, it appears that we have a fairly effective tool in law enforcement; is that correct?

Mr. MULLEN. That is correct.

Mr. MONASTERO. I think our answer is that we are reasonably satisfied.

Mr. OXLEY. One last question, if I may, Mr. Chairman.

Mr. Mullen, you testified that you had about 800 FBI agents in the drug field working with DEA. That would be more than 10 percent of the overall agent force, would it not?

Mr. MULLEN. Just about 10 percent.

Mr. OXLEY. About 10 percent.

Mr. MULLEN. About 8,000 agents, yes.

Mr. OXLEY. And are those agents then directly under your jurisdiction and under your control?

Mr. MULLEN. No, the FBI retains control of its agents, and DEA retains control of its agents. But we do have guidelines to decide who will be in command. Suppose, for example, there is an investigation underway in Cincinnati, who is going to run it, DEA or the FBI? Regardless of who runs the investigation, DEA is aware of it. One agency has to be aware of the total picture and coordinate the entire effort. If, for example, the FBI initiated a case which involved organized crime, they would ask for DEA expertise because of drug involvement. The FBI might assign a dozen agents and DEA four. In this case the FBI would supervise that particular investigation. But, the DEA agents remain under the command and control and administrative direction of the DEA.

Mr. OXLEY. What about support personnel other than agents? How does that work?

I assume that there are other FBI personnel involved in the drug field that would not be included in your indication of 800, or 10 percent of the agent force, is that correct?

Mr. MULLEN. The same would apply to the support personnel, but we have seen example after example of the two agencies complementing and supporting each other. I visited one office, very recently, where there were three wiretaps underway. It was a DEA office, and two of the three wiretaps were being manned by FBI agents.

I visited another office where DEA was overwhelmed with transcripts from court-authorized wiretaps and FBI stenographers were preparing those, typing those up. We see that type of exchange, but the paychecks, the leave and everything, is still handled by the parent agency.

Mr. OXLEY. Thank you very much.

Mr. RANGEL. Mr. Fauntroy?

Mr. FAUNTROY. Thank you.

Mr. Mullen, I think you detected by now a concern on the part of the members of the committee with the resources that you have to do your very important job, both human resources and financial.

In response to a number of questions on that subject, you have indicated, for example, that your agent staff is adequate, that you can shift them around to areas that appear to us to require higher priority as you feel them needed and necessary.

I wonder if the Congress were to pass legislation making the theft of controlled substances from a pharmaceutical establishment or domestic cultivation of marihuana a Federal offense, whether you feel you would have adequate manpower to handle that situation?

Mr. MULLEN. Mr. Fauntroy, I can answer that question. However, I would like to clarify an earlier point, when we were talking about shifting agents around and having adequate resources, we were talking about the overseas effort. With regard to the total availability of agents, I believe that we have an adequate work force, but we want to see how the Organized Crime Drug Enforcement Task Forces work out. When we get all of these agents trained and on board, we may be back to see you at the end of the year.

With regard to the legislation making theft of a controlled substance a Federal crime, and the ability of DEA to handle it, depends on just how deep our involvement is going to be.

If it involves, for example, a robbery of a pharmacy, and DEA is to be involved in every investigation, if it becomes a violation of Federal law, each and every time, we would need additional resources.

If it is to be involvement as a matter of degree, for example, only when there is violence, a firearm used, or a substantial loss of drugs, and DEA would be involved on a limited basis, perhaps we could handle it with current resources.

I would have to see just how involved we are to be if the law is passed before I could fully answer the question. If it is full, total involvement, a violation of Federal law with DEA having jurisdiction, we would need additional help to investigate.

Mr. FAUNTROY. All right.

With respect to your agency vehicle fleets and services, we have received complaints from time to time that not only are they inadequate but antiquated. And we note that your fiscal year 1984 budget reflects some increase in capability there.

But I wonder if you would comment upon the adequacy of your present fleet, and whether or not it is, in fact, antiquated, and therefore needs substantial work between now and the time that your fiscal year 1984 funds become available?

Mr. MULLEN. I couldn't call it antiquated. Having been an investigator myself, I think you are going to find that agents always complain about their vehicles. We are short of vehicles. I will say that. If it gets to the point where it is critical, we will authorize agents to rent vehicles. Another problem we have had is that we did purchase some compact vehicles which agents found were not suitable for investigative purposes. I recently visited our Denver office and had to drive out of the city up some mountains and the agents made sure that I used one of those compact vehicles that could hardly make the hills. They wanted to make the point with me and they did. So, we have had a problem with vehicles, but we use seized vehicles. If it gets critical, I will authorize the agents to rent vehicles. We expect to remedy the situation fully in 1984.

Mr. FAUNTROY. On the question of increased domestic marihuana cultivation, I have a number of questions.

In your testimony, you refer to your domestic control program—particularly with respect to assisting States in dealing with the problem. However, my office has received several informal reports that large crop plans for marihuana are being developed by conventional farmers with idle fields.

I wonder two things about this issue:

To what extent are you aware of conventional farmers domestically planning crops in this area—apparently because the quality of domestic marihuana appears to be better than imported marihuana and financially more desirable?

Where does the conventional farmer with a large crop of domestic marihuana find a market for his product?

Mr. MULLEN. Well, there is a problem with regard to domestic farmers in this country growing marihuana. The difficulty is that there are small fields interspersed with other crops, making them difficult to locate. But the market is right here in this country.

Mr. FAUNTROY. Who are they selling to?

Mr. MULLEN. All—do you mean by age, or by—

Mr. FAUNTROY. No, no, I don't mean the ultimate recipient of it, I mean the dealers.

Mr. MULLEN. It could be any network. We find, for example, motorcycle gangs traffic in domestic marihuana as well as other dangerous drugs, the pills and so forth. There are many different networks. Some are otherwise legitimate individuals, or believed to be legitimate individuals in their community. They become involved because of the attraction of the large sums of money to be made from this enterprise. There is no one specific group. I have seen reports, but DEA has not been able to confirm these reports, that traditional organized crime is involved in this activity. Our intelligence does not support this. It is liable to be almost any group, otherwise legitimate citizens, motorcycle gangs, the farmers themselves, in some cases young people.

Mr. FAUNTROY. Are you aggressively seeking to inform farmers of the problems and difficulties they are in for if they go into this area?

Do you contact prospective—

Mr. MULLEN. I know of no particular effort to inform them that growing or trafficking in marihuana is a violation of the law. Per-

haps that is something we could discuss with the Department of Agriculture.

Mr. FAUNTROY. Thank you, Mr. Chairman.

Mr. RANGEL. Mr. Chappie had a question.

Mr. CHAPPIE. Thank you, Mr. Chairman.

Mr. Mullen, a brief mention has been made of the problems on public lands. I think I represent about seven national forests and some areas of Bureau of Land Management lands. Is it or is it not correct that it is illegal to raise pot on public lands?

Mr. MULLEN. It is illegal.

Mr. CHAPPIE. It is?

Mr. MULLEN. Yes, sir.

Mr. CHAPPIE. And in the Federal statutes, then?

Mr. MULLEN. Yes, it is. And as a part of the strategy this year in domestic eradication, we have specific programs designed for our Federal parks and Federal lands. This is somewhat of a critical area, and we have received a number of reports of citizens being reluctant to use Federal parks and Federal lands, having been scared off by marihuana growers and booby-trapped fields and so forth.

Mr. CHAPPIE. I appreciate your comment. To that end, I am confident that the Chair will assist us in a hearing in those areas of California in the not-too-distant future. We have actually had people terrorized. I have personally witnessed the junkyard dogs and the artillery, chain link fences, guard towers. It may ultimately mean economic ruin for my congressional district, but I am looking forward and hopeful that you will adequately fund those programs, because we are having people denied the opportunity of using our public lands because of the terror that is really rampant in those areas.

Mr. MULLEN. Congressman Chappie, we plan to go all out in these areas, to the point that when they feel it is discovered, we are going to move in and eradicate. We are considering the use of paraquat, and we have consulted with the U.S. Marshals, the National Park Service, Park Police, with special teams of U.S. Marshals to back up our enforcement efforts if necessary, to deal with those people who are responsible for this type of violence.

Mr. CHAPPIE. One additional question.

Is there anything in the works, if you will, to provide additional funding, whether it be through PILT or through your organization, to the local law enforcement people, who normally bear the brunt of the apprehension of many of these folks, and the cost to the local courts and the local taxpayer.

Mr. MULLEN. I don't know of any funds specifically targeted to support the courts and so forth. We do have, in the Organized Crime Drug Enforcement Task Forces, and in the DEA task force efforts, funds to pay overtime to investigators. A portion of the drug enforcement strategy provides for an exchange program between Federal and State and local prosecutors to practice in each other's court systems to assist us when there is a big backlog of cases. So, we do have programs in that area, but I do not know of any funds specifically designated to support local court systems.

DEA spends in the area of \$1 million on the eradication efforts. Some States want financial help. California, I believe, is one State

who said they did not require the financial help, they wanted logistical support, training, and so forth.

Mr. CHAPPIE. Thank you. No further questions.

Mr. RANGEL. Mr. Hughes?

Mr. HUGHES. Thank you, Mr. Chairman. And I want to thank Mr. Mullen, and welcome him to the select committee, and tell you that I had a very productive trip to Glynco, Ga., and spent most of yesterday at the Federal law enforcement training center. Your folks at the training center were most cordial and got me around in about 8 hours, and I saw quite a bit of the facilities, and came away quite impressed.

Mr. MULLEN. Thank you.

Mr. HUGHES. I thank you.

In response to one of the questions, Mr. Mullen, you had indicated that one of the tools that you need is a new forfeiture and sentencing bill. I just couldn't let the opportunity pass to point out that we had a major forfeiture bill and sentencing reform initiative as part of the omnibus crime package, which unfortunately was vetoed, and we lost that major initiative.

And I think you would have to agree that the major forfeiture provisions of that bill, including the administrative forfeiture provisions, as well as the sentencing reform provisions, were every bit as strong as you had requested.

Mr. MULLEN. We discussed that recently at DEA headquarters, and I am not certain that forfeiture was a part of that bill. Forfeiture, sentencing was not.

Mr. HAISLIP. The sentencing provisions that we sought were not in that bill.

Mr. HUGHES. Well, the sentencing provisions were pretty strong. They included, first of all, about a fourfold increase in the sentences. And it developed an alternative fine provision which was twice the amount of the profits.

For instance, after conviction, if the profits were \$2 million a year for 5 years, the court could impose a fine of up to \$20 million. That sentence provision was stronger than the one you requested.

So I don't see how you could say that.

Mr. HAISLIP. One of the—we were seeking, really, in the current bill that is before the Senate, reforms in the bail area which were not covered, and several different—

Mr. HUGHES. Well, let's talk about sentences, let's not talk about bail.

Mr. HAISLIP. Several different sentencing provisions, including an equalizing and upgrading of the sentences for particularly the schedule II drugs, which heretofore have not been treated on the same basis as the narcotic drugs.

Mr. MULLEN. I will concede that the bill did contain some of the items DEA would like to see, but there were other considerations in the bill. I think there was some concern about the drugs czar provision, and the administration couldn't support the entire bill.

Mr. HUGHES. I understand. It wasn't the sentence or the forfeiture or the administrative forfeiture provisions that I think brought about the recommendation that the President pocket-veto the bill, but I wouldn't want this committee to get the impression that Congress had not acted on this matter.

In fact, the House of Representatives acted with dispatch, and passed it by an overwhelming margin on the floor. It had broad bipartisan support, and it is going to be very difficult to get that bill through the full Judiciary Committee this year.

We indicated, those of us who were in conference with the Senate trying to persuade the Attorney General not to recommend a veto, that it would be very difficult to get, in this Congress, the administrative forfeiture, the major improvements in the sentencing provisions of that bill, and particularly the presumption that all assets that came after the criminal enterprise began are presumed to have come from the criminal enterprise and forfeitable unless the defendant came forward and established that it came from legitimate sources. Those provisions are going to be difficult to win again in the Judiciary Committee.

One thing that I can truthfully say is that I think that the new relationship with the FBI has had some very positive impacts. First of all, that the ability to get additional resources at these times of fiscal constraint has got to be a step in the right direction.

I think the cross-training that has come about has been a step in the right direction.

But the one thing that I see occurring that gives me some degree of concern is the fact that as we need new resources, we are not training for DEA as we should. We now have a class of, I think, about 90 going through, and we anticipate a class of about the same size, as I understand it, next year.

That will not even enable us to fill the billets, as I understand it, brought about because of the diversion of agents to the task force operations, which are going to take some of our best people in those operations.

I am concerned that we are not training enough DEA personnel. DEA is our lead agency in the area of drug enforcement, and we operate on the margin. I think you conceded in your testimony, that if you had more resources, obviously, you could put them to work in other countries with intelligence-gathering in other areas, and you could put them to work domestically.

We showed that we had that need in south Florida. The south Florida experiment stands for a lot of things, not the least of which is that when we work together, and we are serious about it, and commit the resources, we can make a dramatic improvement in our interdiction and law enforcement effort.

But above all, the major commitment that we made was in resources. I mean, the fact that the Vice President was the nominal head of the task force, is very important, because the Vice President could ask for things and get them. Customs did not talk back to the Vice President. It came under his order, nor could the other agencies, when they were requested to provide resources, it was done without question.

But the biggest single thing we did in south Florida, what it stands for from my perspective, is that we committed resources. And we are not doing that, Mr. Mullen. We are still not committing resources. We are still operating in a margin, and what I see occurring is that we are not training particularly DEA resources.

The FBI provides some assistance, but FBI is up to their eyeballs with their own missions. We know some suggest that FBI had a

surplus of agents that they could pull off other tasks and put on drug enforcement matters, and what we have done, in effect, is we once again made some reordering of priorities. The additional commitment by FBI is not going to address the serious manpower shortage that we still face in the DEA service.

Mr. MULLEN. I commented earlier, Congressman Hughes, that the FBI has the equivalent of 800 agents now working in the drug enforcement area. Some of these agents have been pulled off of other activities, perhaps in the area of white-collar crime, and bank fraud and embezzlement cases.

Mr. HUGHES. It is part time, they are not just working drug cases.

Mr. MULLEN. No, many are working full time. In fact, I believe—

Mr. HUGHES. Many are not, as I understand it.

Mr. MULLEN. I believe that under the Organized Crime Drug Enforcement Task Forces, it is mandated that 75 percent will be working full time on drug cases.

With regard to DEA training, the 90 individuals at Glynco at this time really comprise 3 classes of about 30 each. Our goal had been 42 in each class, but we are having some difficulty recruiting as rapidly as we would like.

We are going to schedule additional classes and hope, by the end of this fiscal year, to have the 274 additional agents designated for the Organized Crime Drug Enforcement Task Forces on board, as well as to bring DEA up to its authorized level.

Mr. HUGHES. I have no doubt that once we resolve beyond any question the exact role of DEA in the overall enforcement strategy, just like with ATF, as soon as we resolve the nagging issues that surround that agency, we will begin to recruit again the numbers that we need. The missions are important, these agencies have a tremendous amount of prestige, and I have no doubt that you will find extremely qualified people that can fill the billets.

My point, however, is that the Drug Enforcement Administration has the expertise, and if we need agents to work drug cases, we ought to be hiring agents to work drug cases.

It doesn't serve the law enforcement missions well to be diluting the functions of the FBI with additional missions. What we have done so far, I don't think has done that in the drug area. But I fear that if that is the trend, we are going to dilute the FBI missions and we have done that. I mean, we are declining bank robbery cases, in many areas of the country up to 90 percent, for the simple reason we don't have the resources.

I mean, you have suggested that we could take on pharmacy robbery at the Federal level, and if it is a modest level of investigations, we could do it with existing resources.

Mr. Mullen, you could do that presently under existing Federal law. You could be making Hobbs Act cases right now with existing resources if you wanted to. I mean, if we had the resources, we could be doing that.

Mr. MULLEN. The FBI does investigate under the Hobbs Act.

Mr. HUGHES. We have jurisdiction to investigate large thefts from pharmacies right now if we wanted to. We don't need a new law to do that. It is a matter of committing resources to do that.

Mr. MULLEN. Well, we must consider that the States and the cities and counties have a responsibility with these robberies also.

Mr. HUGHES. But isn't it true, couldn't we investigate a major pharmacy robbery now if we wanted to under this system?

Mr. MULLEN. The FBI could investigate under the Hobbs Act. But if I could go back, Congressman Hughes, to your statement with regard to recruiting and training DEA agents, we are doing that. I know you realize we have very high standards. It is not that we have a lack of applicants, we are getting over 500 applications per week, but 40 to 60 percent, on the face of them, don't qualify, and we lose a substantial number in the background investigations. We cannot afford to take on a less-than-qualified individual, and then try to involve that person in drug enforcement.

Mr. HUGHES. I understand that. You can't expect the law enforcement officer, the guy we are looking for, that has superb credentials, to be entering a Federal service with this cloud that is over its head right now. I mean, the Federal officers are concerned about their insurance benefits, they are concerned as to what is going to happen to their pension benefits, they look at what has happened to ATF—last year, I think ATF agents faced three RIF's within a matter of 4 months. We recalled their cars, they couldn't go out in the field and make cases. Some of the agents had to fly from Washington down to appear before a grand jury in Texas, had to either to do it on their own, because there weren't resources to make that flight.

We were dismissing cases during that period of time. Who in the world in the law enforcement community wants to get involved in that kind of a tug-of-war over the budget? That is what, I think, part of the problem is.

Mr. MULLEN. Well, let me tell you what sort of person wants to get involved. I will confess we are all concerned about the pension benefits, and I am pleased to hear you are conscious of that, but of the 87—

Mr. HUGHES. I have got my own, to tell you the truth. To really show people we are serious about it, we just brought ourselves under social security.

Mr. MULLEN. Congressman Hughes, the DEA and the FBI have never had a higher profile. There has never been a lack of people desiring to serve in the DEA or the FBI. We are getting quality people, and I would like to mention this for the benefit of this hearing.

Of the last 87 agents on duty within the past 2 months, all were college graduates, 54 had language experience, and many other skills; 14 were pilots; we had three parachutists; two demolition experts, firearms experts; four attorneys; intelligence analysts; former teachers; former financial experts.

So, we are getting quality people.

Mr. HUGHES. I don't disagree with you. I think we are talking—

Mr. MULLEN. There is no cloud over DEA, that is my point. There is no cloud—in fact, we are out in the very bright sunlight, believe me.

Mr. HUGHES. I hear some—

Mr. MULLEN. It is not true.

Mr. HUGHES. I hear some concerns expressed, just like I hear concerns expressed by other law enforcement agencies. Unfortunately, I think uncertainty is created because of what happened to ATF. There were morale problems we went through in DEA for a while, they had some chilling effect, how much it is hard to measure.

But there are people, obviously, who are competent, who want to serve. That is the point I have made, and they will be coming forward. I have no doubt that the missions are important enough, and the agencies have sufficient credibility, particularly DEA, which has a great deal of credibility—

Mr. MULLEN. Exactly.

Mr. HUGHES [continuing]. Worldwide, not just in this country, that they will be forthcoming. I have no doubt about that.

Mr. MULLEN. There are always, in any agency, going to be some people who are dissatisfied. You find a malcontent here, and there. But, in general, the morale is high, it is a very exciting time for DEA, things are going well. I invite you and any other member of this committee to visit any office, even unannounced, and talk to the people yourselves and hear what they are saying about the current investigative efforts.

Mr. HUGHES. You know I do that from time to time.

I don't want to dilute the point I am trying to make. Where we need additional resources to fight drug-related offenses, what we should be doing is we should be recruiting for DEA. That is the agency that should be doing the work.

Let me just move on—

Mr. MULLEN. I just can't let that pass. The drug problem is such a problem that we should not be so narrow as to think that only one agency—we need Federal, State, local—

Mr. HUGHES. I didn't say that, Mr. Mullen, you are putting something into my statement that I didn't say. I didn't say that at all. What I said was that where we need additional resources to combat drugs—what we should be doing is taking on the additional resources in the DEA, not diluting other functions in other agencies.

That is the point I am trying to make. I am not suggesting that we should have one-mission agencies, you know, because we have too much of that, and the task force operation is bringing that together a little more. We went through that with the Department of Defense with a modification of the posse comitatus law. They didn't want to hear about law enforcement problems, which is absolutely wrong. The problems of intelligence gathering should be a concern of the Department of Defense, just like it should be a concern of all agencies. So I am not suggesting that we should have one-mission agencies. That is part of the problem.

The point I am making is that where we need additional resources to combat drug-related offenses, we should be taking on those resources in the DEA, not diluting other law enforcement agencies and their missions, which are already spread so thin that we can't do a good job.

We are a poor partner with the State and local law enforcement agencies in many areas because we are dumping matters on them that are basically Federal in nature. Up until 4 or 5 months ago, we had an informal rule in southern Florida, that if a case did not

amount to 2 tons of marihuana, we declined the jurisdiction to the local governments. In many areas, you know, 25 grams is still serious business, but—

Mr. RANGEL. If you would yield just on that point, one of the differences we may have in understanding each other is a point that Mr. Hughes is making as to what you see as your role as the coordinator of local and State law enforcement efforts, and what some of our people consider as our responsibility to produce national leadership in law enforcement, and perhaps we should have an executive meeting to discuss this, but I come from a city that has one of the best police forces that we have in the country, and they do not believe that there is sufficient Federal presence.

Now, we can debate that, but not at this forum. But when you talk about how proud we are of the role in coordinating local and State efforts, there is a difference of opinion as to how much of that effort should be local and State officials supporting the Federal role. And I don't mean that philosophically.

Twenty years ago, as a former Federal prosecutor, I knew there were agents around. Now, you have established some new philosophy, high conspiracy cases, which we don't feel the impact of directly, and we can't argue with you.

But the purpose of these hearings is that sooner or later, we are going to understand each other's language, and I don't think we will have as much difficulty, Mr. Hughes, once we find out what they consider the Federal role.

Mr. HUGHES. Well, I only have one additional area that I just wanted to touch on. I think your testimony today gives us a good overview of the nature of the drug problem. I think most folks agree that the drug problem is just absolutely out of control in this country.

We have always used a price-purity equation to measure the amount of drugs in the country, and we have looked at the number of overdose cases and casualties at hospitals as a way of trying to estimate.

And I want to tell you, I have some concern over just how accurate those measures are. We have had some colloquies in the past that some effort is being made to update that and see if we can get a better measure.

My question is, I get the feeling that when we talk about the changes in marihuana consumption, and the suggestion that we see some success stories, I wonder whether or not what we are not seeing is a change in the habits of people who are using narcotic substances.

Cocaine is, I think you described, the new narcotic of choice today. I have a feeling that cocaine use in this country is totally out of control, it is on the upswing. We haven't seen the top of the curve yet. And that we are in for some very serious stormy times ahead of us with what is happening, particularly in Colombia. Up until now, Peru and Bolivia, in particular, have been major suppliers of the coca paste. Now, Colombia is developing its own in-country capability. They have the labs and now they are developing their own in-country raw material.

That concerns me for any number of reasons. First, putting aside the political problems, is the question of whether or not Colombia is benefiting economically from the trafficking.

Putting that aside, considering just the raw nature of the country is the inability of the central Government, even if it had the will to do more, to exercise much control in about 60 percent of Colombia.

We have much going on in Colombia that reminds me of the insurgency that we have in parts of Southeast Asia. It is reminiscent of the Communist insurgency in Burma, and the problems at the border in Thailand. We have every bit the same problem in Colombia at a time when the demand in this country is on the upswing and that gives me tremendous concern.

I wonder if what we are seeing really is a change in the habits of Americans, not particularly a leveling off of drug abuse, in the area of marihuana particularly, but just an upswing in the use of another form of narcotic substance, cocaine.

Mr. MULLEN. That could be part of the problem, but we not only work with price purity, but intelligence. We have special programs, we have sources, we have household surveys, and we, at least I, have not been advised of any swing from marihuana to cocaine. There are individuals who use both drugs, maybe many drugs. But that certainly could be a consideration.

Mr. HUGHES. Let me ask you about Colombia.

What effective presence do we have in Colombia? How effective is our intelligence gathering in Colombia given the fact that so much of it is beyond the control of forces of the central Government?

Mr. MULLEN. I have to say, with regard to Colombia, from my perspective, the problem is in the area of eradication and crop control. The Colombians have established a special enforcement group, I believe 500 or 600 officers, and actually they are doing a fair job, and they are exchanging some very valuable intelligence, and they are making some excellent progress.

Mr. HUGHES. That is long term, Mr. Mullen, as you indicated in your—

Mr. MULLEN. The eradication is long term.

Mr. HUGHES. That is very long term. I mean, first of all, to have eradication and crop substitution, you have got to have some degree of internal control.

Mr. MULLEN. That is right.

Mr. HUGHES. We don't have that at the present, so that is very long term. You have the same problems with the Indians that we have with the hill tribesmen in Thailand and Burma, with the historic and traditional use of that substance, we really have some serious problems in dealing with that. And that is not going to be the solution near term for us.

Mr. MULLEN. I agree with what you are saying with regard to the eradication and substitution. The point I was making, though, is that the Colombian enforcement agencies are making some effort at investigations, interdiction, and are making arrests. They are co-operating and are giving us some substantial intelligence.

Mr. HUGHES. Well, I am way beyond my time, I thank you for your testimony. I thought that your testimony was an excellent overview.

Mr. MULLEN. Thank you, Congressman Hughes. I am sure I will have additional opportunities to talk to you in the future.

Mr. HUGHES. Thank you.

Mr. RANGEL. We have a vote on, and I don't want to hold you up, since there are no other members here. If time permitted, I was going to ask you to restate your position as it relates to priorities, which I think you were saying that we should concentrate on education, rehabilitation and local law enforcement.

We will send you questions to ask you to amplify on that. That is a potential area of sharp differences, I think, with a lot of Members of Congress. It doesn't mean that we are right. But, one, as to the leadership that is provided, as it relates to law enforcement on the Federal level; and the second as to whether or not after a decade of getting the State Department involved in putting pressures on these source countries, whether or not your recommendations don't appear as though we are taking a step backward and saying that the emphasis should be on demand rather than on supply.

I don't know whether we have a difference, it could be semantics, but I would like to include that with my questions.

Mr. MULLEN. We probably do have some differences in philosophy, but I want you to know that none of us in the enforcement area question your support and the support of Congressman Hughes for our efforts. We appreciate it.

Mr. RANGEL. Thank you very much.

The committee stands adjourned until 2 p.m.

[Whereupon, at 12:10 p.m., the Select Committee was recessed, to reconvene at 2:00 p.m., the same day.]

[A letter of response pertaining to the role of DEA and the 1982 Federal strategy follows:]

U.S. Department of Justice

Office of the Associate Attorney General

Washington, D.C. 20530

Honorable Charles B. Rangel
Chairman
Select Committee on Narcotics Abuse and Control
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

I am pleased to provide you with responses to the questions for the hearing record pertaining to the role of the Drug Enforcement Administration in the implementation of the 1982 Federal Strategy for the Prevention of Drug Abuse and Drug Trafficking.

Thank you for the opportunity to elaborate on those issues relating to the Federal drug enforcement program.

Sincerely,



D. Lowell Jensen
Associate Attorney General

Enclosure

Chairman Rangel's QuestionsQuestion 1:

What are the estimated quantities of heroin, cocaine, marijuana, hashish and methaqualone thought to have entered the United States from abroad for calendar years 1980 through 1982 and 1983 to date? We would like to know from what countries these drugs are being smuggled as far as it is known.

Answer:

Official estimates from the latest report of the National Narcotics Intelligence Consumers Committee (NNICC) are only available through 1981. These estimates are as follows:

	<u>1980</u>	<u>1981</u>
Marijuana	10,200 - 15,000 metric tons	9,600 - 13,900 metric tons
Cocaine	40 - 48 metric tons	30 - 60 metric tons
Heroin	4 metric tons	4.0 metric tons
Methaqualone	100 - 120 metric tons	100 - 120 metric tons

No data available for 1982 - 83

Estimated Source of Drug

	<u>1980</u>	<u>1981</u>
MARIJUANA		
Colombia	81%	86%
Mexico	9%	4%
Jamaica	10%	10%
COCAINE		
Colombia	50%	75%
Other South America*	50%	25%

*Primarily Bolivia, Peru, Brazil

HEROIN

Mexico	37%	36%
Southeast Asia	11%	10%
Southwest Asia	52%	54%

METHAQUALONE

Colombia	85%	85%
Mexico	15%	15%

Question 2:

For each year, it would be very helpful if you could detail for us the total number of Class I through IV violators arrested and convicted of drug offenses by DEA, and the number convicted by the DEA/State and Local Task Forces. We would like to be informed of the total quantities of heroin, cocaine, marijuana, hashish and methaqualone seized by DEA in the United States and the quantities confiscated by the DEA/State and Local Task Forces.

Answer:

DEA Arrests and Convictions* 1980 through March 1983
(excluding State/Local Task Forces).

	<u>Violator Class</u>				<u>TOTAL</u>
	<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>	
1980 Arrests	1,116	672	5,116	2,394	9,298
1980 Convictions	495	344	2,153	1,020	4,012
1981 Arrests	1,266	761	5,550	2,673	10,250
1981 Convictions	573	372	2,599	1,068	4,612
1982 Arrests	1,205	668	5,755	2,387	10,015
1982 Convictions	685	420	2,639	1,191	4,935
1983 Arrests	279	138	1,344	818	2,579
1983 Convictions	217	126	890	317	1,550

State/Local Task Force Arrests and Convictions* 1980 through March 1983.

	<u>Violator Class</u>				
	<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>	<u>TOTAL</u>
1980 Arrests	113	110	1,255	1,351	2,829
1980 Convictions	87	67	425	662	1,241
1981 Arrests	150	104	1,130	1,262	2,646
1981 Convictions	56	64	523	592	1,235
1982 Arrests	162	91	1,208	1,141	2,602
1982 Convictions	53	36	507	443	1,039
1983 Arrests	23	29	226	266	544
1983 Convictions	17	20	139	122	298

*Arrest and conviction statistics do not necessarily refer to the same defendant.

DEA Domestic Drug Removals (in kilograms) 1980 through June 1983.

	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
Heroin	253	151	274	192
Cocaine	3,478	1,978	5,650	4,111
Marijuana	2,969,737	877,808	1,275,760	309,123
Hashish	2,816	30,682	1,398	524

State/Local Task Force Drug Removals (in kilograms), 1980 through June 30, 1983

	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
Heroin	53	29	33*	8*
Cocaine	78	73	1,164*	860*
Marijuana	14,170	30,685	133,192*	154,614*
Hashish	16	12	50*	17*

*Includes removals by the Florida Joint Task Group. For statistics-keeping purposes only, DEA combines State/Local Task Forces and Florida Joint Task Group removal figures.

Question 3:

The annual seizures of clandestine laboratories manufacturing PCP amphetamines, methamphetamines, LSD, and other psychotropic and narcotic drugs is an important consideration of this Committee, and we would like the DEA record in this area as well as that of the DEA/State and local Task Forces from 1980 through 1982 and for 1983 to date.

Answer:

Below are statistics regarding the seizure of clandestine laboratories from 1980 to May 15, 1983 for DEA and the DEA/State and local Task Forces:

TOTAL DEA

1980	211
1981	162
1982	201
1983 (to July 31)	102

STATE AND LOCAL TASK FORCES

1980	24
1981	22
1982	23
1983 (to July 31)	2

Question 4:

Another indicator we would like you to list and discuss is the amount of monetary and real estate assets seized as well as the number of motor vehicles, aircraft and boats confiscated for the years 1980 through 1982 and 1983 to date. We would also like a separate breakdown of the seizures made by the DEA/State and Local Task Forces.

Answer:

Asset seizures prior to 1982 cannot be broken out by type of asset. DEA's system for reporting asset seizures does not allow for provision of data by calendar year. These data are provided for FY 82 and for FY 83 through May 19, 1983.

State and Local Task Force seizures cannot be broken out by type of asset. Total value of State and Local Task Force seizures are available only for FY 83 through May 19, 1983.

FY 83* DEA Seizures by Type of Asset

Vehicles	\$5,011,825	#(637)
Vessels	2,657,250	(25)
Aircraft	4,310,000	(22)
Other Conveyances	17,850	(15)
Currency	17,602,599	(741)
Financial Instruments	4,200,233	(99)
Real Property	6,986,381	(55)
Equipment - Chemicals	236,836	(106)
Regulatory	6,617	(2)
Other	1,865,664	(330)

TOTAL DEA SEIZURES	43,150,405	(2,032)
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S/L TASK FORCE SEIZURES	13,900,000	
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FY 82 DEA Seizures by Type of Asset

Vehicles	\$10,080,317	#(1,269)
Vessels	4,028,500	(55)
Aircraft	4,548,922	(31)
Other Conveyances	20,275	(15)
Currency	23,945,309	(1,259)
Financial Instruments	2,306,315	(69)
Real Property	31,909,298	(73)
Equipment - Chemicals	669,449	(288)
Regulatory	2,000	(1)
Other	25,991,352	(414)

TOTAL DEA SEIZURES	103,501,737	(3,474)
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Total DEA Seizures** FY 80 through FY 83

FY 80	\$39,381,705
FY 81	64,657,278
FY 82	103,501,737
FY 83	43,150,405
	(through May 19, 1983)

*As of May 19, 1983

**Does not include other agency cooperative seizures.

Total Seizures FY 80 through FY 83*

	<u>DEA Seizures</u>	<u>Other Agency Cooperative Seizures</u>
FY 80	\$39,381,705	\$54,752,587
FY 81	64,657,278	93,338,264
FY 82	103,501,737	84,082,968
FY 83	43,150,405	UNAVAILABLE

*As of May 19, 1983

Question 5:

To assist us in establishing the relative effectiveness of the various agencies involved in the Federal drug enforcement effort, we ask that you kindly list by agency the quantity of drugs reported to you as seized by each agency such as Customs, Coast Guard, Immigration and Naturalization, ATF, and the FBI, from 1980 through 1983 to date.

Answer:

There is no mechanism by which other agencies report drug seizure statistics to DEA.

Question 6:

The members of the Committee have long been impressed with the performance of DEA's foreign operations in assisting foreign counterparts intercept large shipments of heroin, cocaine, marijuana and hashish destined for the United States. While we recognize that in all countries where DEA has Special Agents assigned, the police authorities annually develop important drug arrests and seizures on their own, we are interested in knowing for the years of 1980 through 1982 and to date in 1983, the number of arrests by class of violator and the quantities of opium, morphine base, heroin, cocaine, coca paste, marijuana and hashish, that DEA Special Agents have directly assisted their foreign counterparts seize in the traffic affecting the United States.

Answer:DEA Foreign Cooperative Arrests 1980 - March 1983.

	<u>Violator Class</u>				
	<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>	<u>TOTAL</u>
1980	158	98	680	334	1,270
1981	145	91	651	243	1,130
1982	137	63	670	205	1,075
1983	36	25	222	120	403

DEA Foreign Cooperative Drug Removals (in kilograms)
1980 - June 30, 1983*

	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
Heroin	728	648	1,385	959
Cocaine	4,353	1,051	4,428	4,300
Marijuana	58,561	40,164	209	9,073
Hashish	19	0	20	19,976

*Foreign cooperative drug seizures are only available by major drug category.

Question 7:

We would also like to know the number of heroin, morphine base, and coca paste and cocaine laboratories, and methaqualone tableting plants seized with DEA assistance. For this overseas activity for each year under consideration, we would like to know the number of reward payments made and the total amount of funds expended for rewards.

Answer:

Reliable statistics on foreign laboratory seizures are not available, nor is information on the number of reward payments overseas. Obligations for foreign rewards, recorded by fiscal year, are as follows:

FY 1980	\$400,691.51
FY 1981	264,863.57
FY 1982	291,858.54
FY 1983	308,923.06

(through July)

Question 8:

In addition to these tactical operations with foreign authorities, our Committee has always been impressed with the major conspiracy prosecutions developed both in the United States and in the source countries indicting and convicting the major suppliers, the laboratory operators and the financiers of this traffic abroad as well as the organized crime importers and national distributors in the United States.

For the years 1980 through 1982 and for 1983 to date, how many prosecutions have been developed cooperatively abroad of major suppliers, as a result of evidence and testimony provided in the United States through the rogatory commission procedure? Simultaneously, how many significant conspiracy prosecutions have

been developed in the United States by DEA as the result of evidence and testimony obtained abroad in cooperation with foreign counterparts?

Answer:

DEA does not have a central point for maintaining statistics on Letters Rogatory. The rogatory commission procedures were predominantly used by the French. However, since the demise of the "French Connection," we have not seen this procedure in common use.

At the same time, cooperation with foreign governments has improved to the point where frequently governments will allow controlled delivery of drugs to the U.S. for seizure and prosecution in the U.S. Many times, our Agents stationed overseas will be in a position to testify in foreign courts. On other occasions, police officials of foreign countries will testify in our courts. The exact number of such incidents is not known; this is not a statistic that DEA regularly keeps.

Question 9:

Also, on the subject of narcotic conspiracy prosecutions in general, this committee has admired the outstanding prosecution of major narcotic conspiracy cases developed nationwide through the "CENTAC" program; we have regarded that program as one of the most innovative and productive in the DEA repertory. We understand this program is about phased out, and we would like you to comment on this. We would like to know the total number of conspiracy prosecutions brought to indictment by DEA from 1980 through 1982 and to date in 1983, as well as the number of convictions obtained.

Answer:

In 1971, DEA Headquarters began a centralized program to deal effectively with complex investigations of major drug trafficking groups whose activities span national and international boundaries. The primary feature of the Central Tactical Unit, or, "CENTAC," was Headquarters control over complex and complicated conspiracy investigations. This approach overcame the restrictions of resources and boundaries affecting localized investigative control of complex and far-reaching investigations. The program, as configured prior to 1982, was functional and successful.

In July 1982, DEA Headquarters was reorganized. The new plan called for drug specific Headquarters sections to oversee field enforcement operations by drug activity. This reorganization

permitted each drug section to focus coordinators on investigations foreign and domestic which had an impact upon the drug area in question. Accordingly, the traditional "CENTAC" program was streamlined to accommodate the reorganized Headquarters configuration. CENTACs became "Special Enforcement Operations" (SEOs).

The Drug Section Chief and his staff of coordinators, with field requests or concurrences, fund, coordinate and manage drug specific SEOs. If more than one drug is involved, the principal activity is determined by mutual agreement and a Drug Section is agreed-upon to be responsible for the SEO.

Since April 1982, the DEA Headquarters Drug Sections have a combined total of 47 Special Enforcement Operations (SEOs) in active stages of development.

Conspiracy Convictions* of DEA Violators 1980 through March 1983

<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
1,910	1,918	2,250	773

*Conspiracy indictment statistics are not available.

Question 10:

This Committee has also in the recent past expressed concern with the dismantling of the DEA narcotic intelligence analysis capability abroad, as the DEA regional structure was phased out by 1980. We regarded this so-called economy move as ill-advised, penny-wise and pound-foolish. Whether DEA offices abroad functioned as separate entities or in a regional configuration, we believe a narcotic intelligence analysis capability should have been continued in key centers such as Paris or Rome, Bangkok, Islamabad, Mexico City, Bogota and Lima. We would appreciate your thoughts on this question.

Answer:

Prior to the realignment of DEA's overseas operations, there were 13 analysts assigned to foreign posts of duty:

Bangkok	3
Bogota	2
Mexico City	4
Paris	4

Those analysts were charged with the responsibility of producing strategic and tactical/operational intelligence in support of regional management and ongoing enforcement activities. The realignment of our overseas function shifted the

responsibility for production of Strategic Intelligence to DEA Headquarters. Also, as drug trafficking patterns shift throughout the world, it becomes necessary to adjust support personnel and we have made changes accordingly.

Currently, DEA has nine Intelligence Analysts assigned to overseas posts of duty. They are as follows:

Bangkok	3
Bogota	1
Frankfurt	1
The Hague	1
Islamabad	1
Mexico City	1
Paris Interpol	1

We have also identified a need for two additional overseas analyst positions, one for Bogota and one for Mexico City. These positions will be filled in the near future. Also, we are pulling the analysts' slots in Frankfurt and The Hague, and reallocating those slots to Ankara and Hong Kong.

We would also point out that DEA Special Agents assigned overseas themselves perform important narcotics intelligence functions, and that the presence of analysts in foreign countries is not the only measure of our overseas intelligence capability.

We share your concern for a viable intelligence program and believe that the aforementioned shifts are in line with current needs and have resulted in a more efficient utilization of personnel.

Question 11:

As we understand it, DEA has limited intelligence capability in Mexico City, Buenos Aires, Lima, Bogota, La Paz and Bangkok, but no intelligence analysis capability in any of its 24 offices throughout Europe, the Middle East and Southwest Asia, or from London to New Delhi, the area responsible for 54 percent of the heroin and all of the hashish affecting the United States. Why is this?

Answer:

(See Answer 10)

Question 12:

As reported to us, DEA estimates that 54 percent of the heroin affecting the United States is of European/Middle East/Southwest Asian origin with the bulk of this now thought to be originating in Pakistan with Italy next in importance. We

note only seven Agents assigned to Pakistan and six assigned to Italy. Mexico, reportedly responsible for 32 percent of the heroin entering the United States, has 29 Agents assigned. Thailand, the center of the Southeast Asian heroin traffic responsible for 14 percent of our supply, has 26 Agents assigned. It seems to this Committee that these manpower assignments may be outdated, a holdover from the period prior to 1979 when heroin from Mexico and Southeast Asia dominated the traffic to the United States. We would like you to comment on what appears, to us at least, an inequitable allocation of manpower to meet the heroin smuggling problem as currently defined.

Answer:

DEA estimates that about 54% of the heroin affecting the United States is of Southwest Asian origin, 10% is Southeast Asian and 36% is of Mexican origin. These estimates are based on heroin signature study analyses done by DEA.

Southwest Asian heroin is produced from opium grown in Iran, Afghanistan and Pakistan. The heroin is being moved overland through Europe to the U.S. Southwest Asian heroin is dominant in the Eastern U.S. It is only during the past two years that Pakistan has risen to significant status in heroin production. The bulk of Pakistani heroin is produced in the Northwest Frontier Province on the border with Afghanistan. DEA has recently opened an office in Peshawar, the closest significant city to this area. This new office increases the number of DEA Agents assigned to Pakistan from seven to eight.

It should also be noted that Southwest Asian heroin is transiting other European countries before entering the United States. For this reason, DEA has maintained offices in Europe and Turkey and has recently opened an office on Cyprus.

Recent record opium harvests in the Golden Triangle of Southeast Asia and the lucrative profits from the opium and heroin traffic have accelerated trafficker activities in this area. While Southeast Asia accounts for only about 10% of the domestic heroin, we find that this area is producing the highest purity heroin available in the U.S. DEA intends to continue the commitment of manpower currently assigned to Thailand.

Mexican heroin accounts for about 36% of the domestic heroin and dominates the traffic in the Chicago-Detroit areas. All intelligence indicates that this heroin is smuggled into the U.S. at a lower level of purity and is not cut after it enters the U.S. On the other hand, the Mexican heroin in California is of significantly higher purity and, in some cases, is from the same Mexican sources as the Chicago heroin.

DEA has 29 Agents working in Mexico because, unlike the offices in Thailand, where all emphasis is on heroin, the Mexican offices also have to be concerned with heroin, marijuana, cocaine (transshipment) and dangerous drugs.

DEA Headquarters has recently completed an assessment of overseas staffing and is formulating recommendations to reallocate manpower according to needs directed by current trafficking conditions.

Question 13:

The Committee is astonished by the fact that from October 1980 to October 1982, a period of two years, not a single new Special Agent was hired by DEA notwithstanding the fact that all indications signaled a sharply rising traffic and abuse of drugs. This failure to hire and train new Agents by our calculations reduced Agent strength by 81 Agents between 1980 and 1982, a period in which we believe substantial increases should have been made. We now understand that from October 1982 through October 1983, 10 or more Special Agent classes are to be held; that about 100 Special Agents have completed training in five classes, and the total for this fiscal year is programmed to reach 400.

Please provide the Special Agent on board strength as of the following dates:

October 1, 1980
 April 1, 1981
 October 1, 1981
 April 1, 1982
 October 1, 1982
 April 1, 1983
 October 1, 1983 --- projected

Answer:

Budget constraints were largely responsible for limiting DEA Special Agent strength during the period October 1980 to October 1982.

DEA Special Agent On-board Strength October 1, 1980 -
 October 1, 1983 (projected).

October 1, 1980	1928
April 1, 1981	1944
October 1, 1981	1912
April 1, 1982	1865
October 1, 1982	1867
April 1, 1983	1932
October 1, 1983	2082

Question 14:

We note that for FY 84 your agency is requesting a total budget of \$275,623,000, an increase of \$20,000,000 over its request of \$255,496,000 for FY 83. For 1983, you have projected 1,878 Agent positions out of a total of 3,953 employees and for 1984 these projections are 1,884 Agents out of a total of 3,988 employees. Given the indicators of the illicit traffic in narcotics and psychotropic drugs affecting the United States, are the manpower and resources you are requesting sufficient for DEA to effectively achieve the drug control objectives the Congress has assigned to it? Would you please comment on this.

Answer:

In 1973, DEA had 2,200 Agents after the merger with U.S. Customs, et al. DEA on-board Agents during recent years are as follows:

FY 1980	1,898
FY 1981	1,869
FY 1982	1,862
FY 1983 (7-31-83)	2,016 (includes initial increases of OCDE-authorized Agent allocations)

Special Agent classes were conducted and graduated in December 1980 (40 Agents) and September 1982 (40 Agents). The FY 1983 recruiting program has the utmost priority and is moving to fill the staffing requirements of the OCDETF operation, through which DEA has been authorized to hire 274 additional Agents over and above the 1,878 planned.

Seven Special Agent classes have been conducted and graduated thus far in FY 1983, adding 194 new Agents to the DEA work force. An additional 136 new Agents are expected to be on board by the end of the calendar year.

We are also combating the problem with enhanced resources via joint operations at all levels of enforcement activity and particularly with the FBI.

Question 15:

Obviously, DEA is now in the process of catching up and this Committee is pleased with this. Nevertheless, we would like some explanation as to why DEA Special Agent strength was allowed to fall to its lowest point ever between October 1980 and October 1982; when given the critical drug situation that existed, it should have gradually been increased. We have long thought DEA should never have less than 2,500 Agents and that this nation could best be served by 3,000 highly-trained DEA Agents dedicated full-time and concentrating totally on drug enforcement. What do you think DEA Special Agent strength should be?

Answer:

DEA has requested an additional 55 Special Agent positions in its FY 1985 budget request, bringing the total ceiling to 2,252.

In addition to this enhancement, it should be pointed out that the Federal drug law enforcement effort has been greatly enhanced by the support provided by the FBI since concurrent jurisdiction was granted in January 1982. The FBI is now dedicating approximately 12 percent of its field investigative time toward drug investigations, representing 800 workyears.

DEA's participation in the OCDE program is also having a positive impact on the agency's operations as a whole. The OCDE program is providing the first real infusion of resources to the drug law enforcement program in about a decade. The OCDE program is responsible for a 20 percent increase in the number of Agents devoted to drug enforcement work. This program is also enabling us to proceed with enhancements to the ADP programs, for the DEA Air Wing, for enhanced communications equipment, and for sophisticated equipment needed for court-authorized electronic surveillance.

Furthermore, as a consequence of the national attention directed toward the OCDE program, all Federal law enforcement programs directed toward organized crime and drug trafficking have been the subject of renewed interest and public support. This refocusing of attention on all DEA programs is having a very positive effect.

Question 16:

The Committee would also like to know whether the standard civil service qualification requirements for the position of Special Agent were utilized to recruit and hire the individuals brought on board since October 1982. Also, are the new Special Agents within the career civil service, traditional in DEA and all Federal law enforcement, or in the excepted service category utilized by the FBI?

Answer:

Even though DEA is authorized to appoint Special Agents to positions in the excepted service, it uses qualification standards described in the Office of Personnel Management (OPM) Handbook X-118 titled, "Qualification Standards for Positions Under the General Schedule." These standards have been applied since the granting of the Schedule B Appointment Authority in July 1979.

The excepted appointment authorization did not negate this agency's authority to make appointments to positions in the competitive service. Consequently, candidates who meet the prescribed eligibility requirements can be appointed under either authority. Currently, DEA Special Agents, once they have been on board the required three years, are within the career civil service.

Question 17:

As you know the undercover purchase of narcotic drugs from the traffickers for use as evidence in their prosecution was an investigative technique pioneered and used successfully by DEA and its predecessor agencies. It is a technique subsequently employed by most state and local narcotic enforcement agencies and many police services abroad.

Committee experience is that intelligently applied, the technique implicates entire organizations and sources of supply, as well as resulting in the seizures of large drug caches and providing the basic evidence for follow-up conspiracy prosecutions.

The Committee notes a serious inconsistency in the funds made available to DEA in recent years for the purchase of narcotics evidence as follows:

FY 80	\$5.9 million
FY 81	4.1 million
FY 82	5.6 million
FY 83	4.8 million
FY 84	5.1 million

Would you please comment on this and indicate whether the appropriation of more funds for this purpose, in your judgment, would enhance your drug enforcement efforts? We would also like to know what quantities of heroin, cocaine and marijuana were purchased from traffickers in FY 80 through FY 83 to date, and what were the totals expended by DEA for the purchase of evidence each year during this period?

Answer:

DEA believes that additional resources for the purchase of evidence would enhance enforcement operations and has requested an additional \$6.2 million for FY 1985 for this purpose.

DEA Evidence Purchases* (in grams) FY 1980 through FY 1983
(through August 1983)

	<u>FY 1980</u>	<u>FY 1981</u>	<u>FY 1982</u>	<u>FY 1983</u>
Marijuana	11,666	8,151	107,836	194,032
Cocaine	34,540	20,644	26,345	43,937
Heroin	26,792	28,265	21,642	34,046

*Quantities of evidence purchases are from DEA's System to Retrieve Drug Evidence (STRIDE), which records reports from DEA laboratories. Drug evidence is occasionally purchased in various forms (e.g., marijuana cigarettes, heroin capsules, etc.) that are not analyzed by weight. These are not included here.

DEA Evidence Purchase Expenditures FY 1980 through FY 1983
(through March 1983)

FY 1980	\$5.07 million
FY 1981	4.08 million
FY 1982	4.64 million
FY 1983	1.72 million

Question 18:

In this connection a review by the Committee on the "Implementation Directive for Concurrent Drug Investigative Jurisdiction" by DEA and FBI, dated March 12, 1982, under paragraph F provides for arrangements whereby under certain circumstances in an investigation, small quantities of controlled substances might be provided to a violator through an undercover Agent or informant.

This is a departure from longstanding policies and practices in drug law enforcement and the Committee would like to be informed on how many occasions drugs have been provided to suspects by either DEA or FBI, the largest quantity of drug and type supplied, and the total quantity by type of drugs supplied since this policy went into effect.

Answer:

Because this practice involves a sensitive investigative technique, DEA respectfully declines to provide the requested information for the public record. We shall be pleased to brief the Committee on this matter either in closed session or through submission of a confidential document.

Question 19:

By the time this Committee was constituted in late 1976, the smuggling of marijuana and cocaine into South Florida had become critical. As bad as it was then, it steadily worsened to a point in 1982 where it had moved totally out of control and had become a national disgrace. Finally, early in 1982 under the direction of Vice President Bush, the South Florida Task Force was established to address this situation.

It is now a little over a year that the South Florida Task Force, under the operational supervision of DEA, has been impacting on the enormous importation and national distribution of marijuana and cocaine taking place in that region. The Committee would appreciate a brief account of the organizational

configuration and operational results of the task force to date, and what is projected for the future as it becomes permanent.

Answer:

Since March 1982, the Drug Enforcement Administration and the U.S. Customs Service have combined forces in Florida to form the Joint Task Group.

The mission of the Task Group has been to increase drug interdiction and investigative follow-up through enhancement and coordination with ongoing drug enforcement programs. Emphasis has been placed on providing a rapid response to drug interdictions, the development of drug interdiction intelligence, and the creation of a highly visible cooperative effort. U.S. Customs personnel assigned to the task group have been granted limited investigative authority. All investigations are conducted under the general supervision of DEA and are confined to the State of Florida.

The following table represents Task Group results through July 20, 1983.

FLORIDA JOINT TASK GROUP RESULTS

As of July 20, 1983

1. <u>ARRESTS</u>	<u>TOTALS</u>
Florida Joint Task Group	1,499
INS/Border Patrol	84
Checkpoint Operations	
Other Operations	
U.S. Marshal Fugitive Arrests	210
ATF	224
Operation BAT	96
TOTAL	2,113

<u>DRUG SEIZURES</u>		<u>TOTALS</u>
	<u>No. Seized</u>	<u>Amounts</u>
Heroin	1	.4 GM
Cocaine	337	2,683,311.7 GM
Cannabis	546	867,931.4 KG
Methaqualone	9	164,183.0 DU
Other	10	13,670.0 DU

III. ASSET SEIZURESTOTALS

	<u>No. Seized</u>	<u>Value</u>
Vehicle	73	\$611,325.00
Vessel	169	16,358,550.00
Aircraft	23	1,594,500.00
Currency	113	2,529,932.00
Bond	0	0.00
Fine	0	0.00
Firearms	350	135,091.00
Other	22	38,945.00
TOTAL		\$21,268,343.00

Question 19A:

We are told that one of the most serious defects of the South Florida Task Force is the constant rotation of DEA, Customs and Coast Guard personnel due to the fact the task force is largely manned by temporary personnel. The personnel are largely unknown and untested with each other and are unfamiliar with the areas and the state and local people with whom they must work. Can this be corrected?

Answer:

The South Florida Task Force was designed to draw upon the expertise and resources of many agencies. Since its formation over a year ago, the task force has become more structured: permanent resources have been committed to maintain and enhance enforcement activity, organizational roles have been clearly delineated, and all participants now have a clear understanding of coordination authority and responsibility. To the extent that coordination and familiarity problems existed in the initial stages of the program, they have been corrected through the day-to-day experience of the participants working together.

Question 19B:

Can you tell us why the FBI did not participate operationally in the South Florida Task Force but only in a liaison capacity?

Answer:

The FBI's primary contribution to drug law enforcement is through its experience and expertise in organized crime and white collar crime. DEA's primary contribution to the South Florida Task Force is through the provision and exchange of drug intelligence and through joint participation with Customs in investigative operations. Because it lacks a drug intelligence

data base, the FBI was not originally designated a drug-specific operational participant of the task force, although its resources and expertise are available to the task force through DEA.

Question 19C:

The General Accounting Office estimates that 85 percent of all the individuals arrested by Customs and Coast Guard for drug violations are not prosecuted in Federal Court. Briefly, we would like your thoughts and recommendations on what is being done and what your agency believes should be done to increase prosecution and to bring the drug smuggling and distribution problem in Florida under control.

Answer:

It is true that a large proportion of the individuals arrested by Customs and Coast Guard are not prosecuted in Federal court. Federal prosecutive policies with respect to acceptance and declination of cases and arrestees are established by individual U.S. Attorneys based on a number of factors. It has been DEA's experience that many of these violators are merely crew members on vessels smuggling drugs to the United States. Federal prosecution of these individuals is sometimes declined due to their lower status in the drug traffic. Frequently, state and local involvement makes Federal prosecution unwarranted.

DEA does believe that increased resources for prosecutors, judges, and prison and detention facilities would allow more prosecutions to be undertaken at all levels.

Question 20A:

We would like you to briefly describe the progress made in organizing and starting up the 12 Organized Crime Drug Enforcement Task Forces from the DEA perspective. Notwithstanding the fact that this program was announced in October, there persists a lack of clear understanding of just how it is to be organized, directed and housed and what agencies will actually participate, how much manpower and resources each will assign and what will be the objectives. There is also a perception that OCDE Task Force units have been unusually slow in organizing and moving into action.

Answer:

We are continuing to place a very high priority on DEA's participation in the President's Organized Crime/Drug Enforcement (OCDE) Task Force Program.

As of this date, we have assigned 274 experienced investigators and 63 support positions to the 12 Organized Crime Drug

Enforcement Task Forces. The 12 OCDETF Field Coordinators have been selected. They met in June at a Coordinators' Conference to discuss problems of mutual interest ranging from funding procedures to discussions of OCDE cases.

Graduating Agents are backfilling the OCDE positions primarily in the core cities and in some major non-core cities. We have backfilled 230 positions from Agents in eight Basic Agent Classes. This leaves us with 44 Agent positions to be backfilled by the end of the fiscal year. We hope to meet this goal with the enrollment of two Agent classes in September.

In addition to the Agent positions, we have allocated the 63 support positions to the field as recommended by the OCDETF Administrative Unit at the Department of Justice.

After a lengthy review by the Department of Justice, 260 cases submitted by the AUSAs and the Task Force Coordination Committees in the field were approved. As of July 31, DEA Agents have participated actively in 214 of these cases. Three hundred thirty-five arrests have been made and \$12.3 million in trafficker assets have been seized. Over 330 indictments have been returned in OCDE cases in which DEA has participated. As of July 31, DEA Agents had already dedicated 177,970 investigative workhours to OCDE cases. We had also initiated, as of that date, 14 Title IIIs in these OCDE investigations. Perhaps the most significant accomplishment of the OCDETF Program has been the increase in cooperation among Federal agencies and the attendant increase in the number of joint drug cases. In all 260 cases, at least two Federal agencies are working together and are effectively using each other's resources to disrupt and bring to prosecution major drug traffickers in this country.

Question 208:

How much of the \$127.5 million appropriated by the Congress in December 1982 at the request of the Administration for the OCDE Program has been allocated to DEA, and how much has been obligated and expended to date by DEA and for what purpose?

Answer:

The financial plan for DEA's participation in the OCDETF Program was increased by the Department of Justice in June to \$24.7 million. As of June 30, we had obligated \$13.5 million for operating expenses, investigative hours spent on OCDETF cases, and administrative support. We foresee no problems in spending the allocated funds as planned by the end of the fiscal year, nor do we anticipate any need for additional funds at this time.

In addition to the \$24.7 million allocated to DEA, there is \$1.6 million for the payment of state and local police officer overtime in support of the OCDETF Program. DEA administers these

funds for the Department of Justice. Detailed procedures for reimbursement under this fund were worked out jointly by DEA and the Department of Justice and have been forwarded to all task force personnel by the Associate Attorney General.

Question 20C:

In addition to those factors, much confusion has developed over the stated mission of the OCDE Task Forces "to identify, investigate and prosecute members of high-level drug trafficking enterprises and to destroy the operations of these organizations." The Congress has thought this to be the statutory mission of DEA. Would you explain what the OCDE Task Forces will be doing which DEA is not and vice versa?

Answer:

As the principal Federal drug law enforcement agency, it is DEA's mission to immobilize major drug trafficking networks by investigating these organizations to ensure their conviction and subsequent incarceration, by seizing and forfeiting their assets, and by removing illicit drugs from the market.

The Organized Crime Drug Enforcement Task Forces (OCDE) have also been mandated to investigate the highest levels of the drug traffic. However, there are also other criteria which are considered in case selection. Most importantly, OCDE cases should be those which would clearly benefit from the investigatory expertise of more than one agency. Second, cases should fall into at least one of the following categories: traditional organized crime, non-traditional organized crime (e.g., motorcycle gangs), financial flow, major international organizations, high geographical impact, and public corruption.

Thus, DEA's and the OCDE's objective are nearly the same: to reach the highest levels of the drug traffic. There may be some cases where a criminal organization is involved only in drug trafficking, and the investigation does not require the expertise or jurisdiction of another agency; that case would become a DEA investigation. Another criminal organization may be involved in a multitude of criminal activities, one of which was drug trafficking; that could become an OCDE case. The OCDE case selection and management process ensures that there is the necessary coordination between DEA and OCDE investigations.

Question 21:

The White House announced on March 22, 1983, the formation of the "National Narcotic Border Interdiction System" (NNBIS), to interdict the flow of narcotics into the United States. The announcement went on to state that NNBIS will be headed by Vice President Bush. The Executive Board will include the Secretaries

of State, Treasury, Defense, and Transportation, the Attorney General, the Counsellor to the President, the Director of the Central Intelligence Agency and the Director of the White House Drug Abuse Policy Office. The Coordinating Board for NNBIS will be headed by Admiral Daniel J. Murphy, Chief of Staff to the Vice President, and be composed of ranking officials from State, Defense, Treasury, Justice, Transportation, CIA, and their subordinate agencies and offices.

The announced objective of NNBIS is "to coordinate the work of those Federal agencies with existing responsibilities and capabilities for interdiction of seaborne and cross border interdiction of narcotics." Other than the physical seizure of narcotic drugs entering our country by Customs Inspection and Patrol personnel, the role envisioned for NNBIS appears to be that assigned to DEA in 1973. Would you clarify this point for us?

The Committee would appreciate your describing DEA participation in the planning and organization of the NNBIS concept, and DEA's role in this operation. We would also like to know the progress your agency is making in assigning the necessary manpower and resources to the operation and when DEA anticipates the program will be underway? Have you or any representatives of your agency been attending NNBIS Coordinating Board meetings?

Answer:

The National Narcotics Border Interdiction System (NNBIS), headed by Vice President George Bush, was developed to coordinate all Federal efforts to interdict the flow of narcotics into the United States. As interdiction is the primary responsibility of agencies other than DEA, this agency has a support role in the NNBIS initiative. DEA will provide intelligence to the appropriate NNBIS units to enhance interdiction activity. DEA will also conduct follow-up investigations pursuant to standard operating procedures for following up interdiction cases.

More specifically, the DEA Administrator participates on the NNBIS Coordinating Board, which is composed of ranking officials from the Departments of State, Defense, Treasury, Justice, Transportation, Central Intelligence Agency, and their subordinate agencies and offices. NNBIS has six regional centers to accomplish the following tasks: collate intelligence; assess threats; prioritize targets; identify resources; recommend actions; follow up seizures; maintain, analyze and report statistics; and coordinate joint and special operations. In each of the six regional centers (New Orleans, El Paso, Long Beach, Chicago, New York, and Miami), DEA has a senior Special Agent assigned to the Operations Information Center, and an Intelligence Analyst assigned to the NNBIS intelligence staff.

No new additional appropriations are being sought for the current operations for the NNBIS program. Accordingly, each participating agency will absorb NNBIS expenses in its current appropriation.

DEA was not directly involved in the initial planning and organization of the NNBIS concept.

Question 22:

As you know, reports indicated that the illicit cultivation of high-grade marijuana in the United States continues to increase. DEA now estimates that 10 to 15 percent of the total marijuana trafficked and abused is of domestic origin. Should the United States Government, through the leadership and coordination of DEA with Federal, state and local enforcement agencies, fail to implement an effective program to detect and eradicate the widespread illicit cultivation of marijuana in our country, we would not only fail to comply with the Single Convention on Narcotic Drugs of 1961, but also forfeit the right to diplomatically press countries where opium, coca and cannabis are illicitly produced to eradicate that production. The Committee would appreciate a brief comment on the steps taken by DEA to ensure the detection and eradication of the domestic cultivation of marijuana. How much funding has been programmed for FY 83 and FY 84, and is it sufficient to effectively control this dramatic new threat to our drug enforcement efforts?

Answer:

DEA has programmed \$2.4 million for FY 83 and \$2.5 million for FY 84 for support to state marijuana eradication efforts. We believe these levels of funding are appropriate to carry out DEA's program, which is detailed in the following responses.

Question 22B:

What are the elements of DEA's domestic marijuana eradication program?

Answer:

The elements of DEA's domestic marijuana eradication program are as follows:

Program Guidance, accomplished through the development of annual operating plans by the DEA State Coordinator and state and county law enforcement representatives.

Funding, provided to each state according to needs reflected in the operating plans and subject to review by DEA. Allocations are made through letters of agreement.

Investigations, conducted jointly by DEA and state authorities.

Air Support, provided by DEA pilots and aircraft for training and aerial surveillance.

Intelligence, stressing information sharing to develop an intelligence base on the extent of cultivation and distribution systems.

Training, to include support for state-sponsored schools and prosecutor seminars. In 1983, DEA has conducted 19 schools for state, local, U.S. Forest Service, Bureau of Land Management, and military personnel in the location of marijuana plants by air, the securing of search warrants, and the conduct of raids on marijuana growing sites.

Technological Support, including development of an herbicide model, testing of new equipment for locating and plotting growing sites, and participation in a high-altitude reconnaissance project with the U.S. Forest Service.

Public Awareness, in which DEA works with the White House Media Coordinating Committee, distributes its "DEA Eradication Program" film, provides public information guidance to DEA field offices, and helps state agencies establish public cooperation hotlines.

Interagency Cooperation, in which DEA coordinates the program with the Director of the White House Drug Abuse Policy Office, U.S. Forest Service, Bureau of Alcohol, Tobacco and Firearms, FBI, State Department, National Guard, National Park Service, Bureau of Land Management, and Bureau of Indian Affairs.

Question 22C:

How much of DEA manpower and resources are devoted to domestic eradication efforts in cooperation with the states?

Answer:

Two senior DEA Headquarters managers direct the program with the assistance of three staff coordinators. Three DEA field personnel are assigned TDY to the training program. Thirteen DEA pilots and two Airwing coordinators have engaged in the program. The Special Agents in Charge of fifteen Field Divisions have oversight responsibility for the program in their areas, and each has a Division Coordinator and a State Coordinator. DEA's Office of Public Affairs, Office of Chief Counsel, and Office of Science and Technology have all devoted considerable manpower to the program.

Question 22D:

What cooperative efforts have been forged with other Federal agencies (i.e., the National Park Service, Bureau of Land Management, and the U.S. Forest Service) to combat the cultivation of marijuana on public lands?

Answer:

Close cooperation between DEA and the U.S. Forest Service has been highlighted by the joint high-altitude reconnaissance project, the California task force program, and the Paraquat program. Liaison has been established with the U.S. Park Service, although there have been few reports of cultivation on park property. The Bureau of Land Management has provided training facilities and other support. The FBI is developing cultivation and distribution intelligence and assists county sheriffs with investigations. The State Department has been involved with keeping Latin American countries abreast of the program's activities. The Bureau of Alcohol, Tobacco and Firearms provides raid support and guidance on beoby traps.

Question 22E:

Because domestic marijuana eradication programs are not specifically set forth in the DEA's budget, how do those programs impact upon other DEA activities?

Answer:

As noted in the response to Question 22 above, the domestic marijuana eradication program is covered as a line item in DEA's FY 1984 budget request.

Question 22F:

At the June 24th hearing you (Mr. Mullen) stated, "By all measures, the domestic marijuana eradication program has been very successful." If this is so, how does DEA account for reports of an abundant supply of domestically grown marijuana?

Answer:

DEA believes that this new program has been successful in that it has effectively pulled together Federal, state and local agencies in a unified drive against domestic cultivators. Since 1981, the program has expanded from seven to 40 states; more than two million marijuana plants have been eradicated; over 2,500 violators have been arrested; and 785 weapons have been seized. The surveillance training program has succeeded in putting more trained eyes in the sky, and efforts to increase public awareness have resulted in more and more reports of sightings by citizens.

As a result of publicity and enforcement efforts, growers have been forced to smaller and more remote growing sites.

We believe that, while domestic production of marijuana remains a threat, these strides represent a significant beginning to our efforts against this problem.

Question 22G:

Does DEA have any suggestions, at either the Federal or state level beyond activities being carried out, to reduce domestic marijuana cultivation?

Answer:

As noted in the response to Question 22D above, the participation of the National Guard in the domestic eradication effort is an important element of the program. DEA believes that increased National Guard participation would further the goals of the program, and meetings with the Counsellor to the President and the Director of the White House Drug Abuse Policy Office have been held on the subject.

In addition, DEA believes that the enforcement aspects of the program should be complemented by vigorous prosecution and strict sentencing of those involved in illegal cultivation.

Question 23:

This Committee is somewhat concerned, that at a time when we are beginning to receive complaints of legal manufacturing quotas being too high and licit drug diversion flare-ups occurring in parts of the country, DEA, beginning in FY 82 reduced its authorized Compliance Investigator strength from 226 to 171. This number continues in FY 83 and is programmed for 1984. We would like an explanation of this. On the surface at least this appears to be another very questionable reduction in force for budgetary constraint purposes at a time when the enormous demand for controlled substances is a constant threat to our legal narcotics control system. Please provide the compliance investigation (series 1810) on-board strength as of the following dates:

October 1, 1980
 April 1, 1981
 October 1, 1981
 April 1, 1982
 October 1, 1982
 April 1, 1983
 October 1, 1983

Answer:

DEA's Compliance Investigator authorized strength was reduced from 226 to 193, not 171. This adjustment was made to reflect the actual on-board level at the time of the 1982 reorganization, and was based on a management decision to maintain Special Agent staffing and associated support at the current level, thereby requiring reductions in other categories of employees.

The diversion control effort is a major priority of DEA and will continue to be a vital part of our effort. The entire Diversion Control Program has been under review for the past year to determine how DEA can best use its resources to combat the problem of diversion of legally produced controlled substances. The final report of this study has been completed and recommendations are being developed for strengthening this aspect of DEA's effort.

Compliance Investigator on-board strength for six-month periods from October 1, 1980 through October 1, 1983 is as follows:

<u>Date</u>	<u>1810 Series On-board Strength</u>
October 1, 1980	207
April 1, 1981	199
October 1, 1981	198
April 1, 1982	188
October 1, 1982	175
April 1, 1983	179
October 1, 1983	174 (present)

Question 24:

We would also like an explanation on the status of the highly regarded DEA Diversion Investigation Units (DIU), which are in effect task force operations with state and local officials to promote a more effective sharing of the regulatory control responsibility. More and more information and complaints transmitted to us leads us to believe that there may be a need for DEA to have some form of permanent task force program with each state to ensure a coordinated and effective regulatory control of narcotic and psychotropic drugs in the legal distribution of these substances for medical purposes and to prevent diversion through theft, pilferage and fraud.

Answer:

The DIU Program was a "seed" program designed to assist the participating state, through Federal funding, training, and the assignment of a DEA Special Agent, to develop a fully state supported, permanent DIU operation. Of the 24 units which were started, five have yet to exhaust their Federal funding and another 10 remain in operation under state funding as either a fully operational DIU or as an identifiable successor to the DIU. Even in those states which have not maintained a DIU operation, the fact remains that we have trained and equipped law enforcement and regulatory personnel to recognize and deal with the challenge of practitioner level diversion. In view of this, the program has been very effective in increasing the ability of states to deal with diversion. It is clear that, absent a formal program, many of these states would still not be in a position to combat practitioner level diversion.

Unfortunately, DEA was not able to continue this program due to budget reductions mandated by the previous Administration. We are now seeking funds and new legislative authority to restore a similar but broader effort.

DEA's Office of Diversion Control, which had responsibility for the DIU Program, has developed a state assistance program within a much broader framework. To fully implement this new initiative, DEA needs a better mechanism than the limited "cooperative agreement" mechanism utilized in the DIU program. The proposed Diversion Control Amendments (Title VII, Part B of S.829) would provide DEA with the legal authority and clear congressional mandate to enter into grant-in-aid programs with state and local governments to assist them in suppressing diversion. This comprehensive package of amendments would greatly enhance the diversion control efforts at all levels of government.

Question 25:

On this question we would like to be informed of your position on two bills currently before the Congress on the theft of controlled substances. H.R. 1255, introduced by Congressman Hyde of Illinois, would make the robbery of controlled substances a Federal crime. Another bill, introduced by Congressman Parris of Virginia, would make any theft of a controlled substance a Federal crime.

Answer:

DEA supports H.R. 1255, the Controlled Substances Robbery Act. We believe that registrants, who are closely regulated by the Federal Government and subject to Federal prosecution for any

malefactions involving controlled substances, deserve the best protection we can reasonably extend when they are the victims of violent crimes.

We believe, however, that it is important to clarify that Federal jurisdiction over robbery of controlled substances registrants should be asserted only in exceptional cases. The bill could be modified to state, for example, that Federal jurisdiction is only to be exercised in appropriate cases pursuant to guidelines issued by the Attorney General or his designee.

In addition, it should be made clear that Federal prosecutions of cases involving robbery of controlled substances registrants are to be initiated sparingly to avoid needless conflict between Federal prosecutors and their state and local counterparts.

We would also recommend eliminating the requirement that the Attorney General submit an annual report. Our experience with such report requirements is that they place a significant burden upon limited Justice Department resources and produce information that is not utilized by the Congress.

DEA would oppose H.R. 1255 without these limitations, as any suggestion that Federal authorities should investigate and prosecute registrant robberies on a routine basis would result in a serious misuse of limited Federal resources.

Question 26:

In our Annual Report for 1981, released on March 9, 1982, the Select Committee recommended "that the independence and integrity of the DEA as our lead drug enforcement agency be preserved." We would like your comment on this. The Select Committee is concerned that the DEA role as the lead drug enforcement agency is becoming one in name only. We believe the concurrent jurisdiction given to the FBI officially on January 28, 1982 has created within the FBI an autonomous, unstructured drug investigative element pursuing targets of opportunity on its own instead of acting as a support force to DEA in furtherance of our national drug enforcement strategy.

How do you define DEA's role as the "principal agency for drug enforcement" as stated in the 1982 Federal Strategy for the Prevention of Drug Abuse and Drug Trafficking?

It was not the purpose of our hearing to consider what impact the FBI has had on drug enforcement during the past two years. However, we are concerned that their activities are only remotely coordinated with DEA and to a very great extent, you as Acting Administrator of DEA have no operational control over FBI drug investigations. Rather than being a support agency for DEA, or

pooling manpower to work important drug investigations together, it is our understanding the FBI is working autonomously along a separate track, and out of 1,300 investigations initiated, only 300 have been conducted jointly with DEA.

Answer:

DEA is the primary drug law enforcement agency responsible for investigations of drug trafficking within the United States. It is the sole United States agency with the authority to investigate drug trafficking overseas. The regulation and monitoring of the "closed distribution" system of licit drug manufacture and distribution is vested only with DEA.

The granting of concurrent jurisdiction over drug investigations to the FBI in January 1982 neither removed lead agency responsibilities from DEA, nor created an autonomous drug investigative element within the FBI. The FBI has dedicated 800 Special Agent workyears to drug law enforcement, largely in the form of cooperative investigations with DEA. In addition to resources, a number of coordinative mechanisms have been developed between the two agencies, among them intelligence sharing and the exchange of specialized skills and techniques. Each agency has benefited from exposure to the other's mission and procedures. The drug investigative activities of DEA and the FBI are closely coordinated; the number of cooperative DEA/FBI investigations increased from 12 in July 1981 to 539 in September 1983.

The six broad areas into which DEA channels its activities-- investigations, interdiction, international programs, domestic marijuana eradication, diversion control and related support programs (e.g., intelligence, training and laboratory services)-- testify to the diversity of functions and responsibilities that DEA has in the total implementation of the Federal drug control effort. This broad involvement, coupled with the increasing participation of many other Federal agencies, places DEA in a coordinative position. This evolving responsibility serves to strengthen DEA's "principal agency" role, not weaken it.

Questions 26A and 26B:

1. Why is it arrangements cannot be made for the FBI to conduct its drug investigative activity under the operational control of DEA just as the U.S. Customs Service has when their Special Agents were given drug investigation jurisdiction by the Attorney General in South Florida Task Force?

Should not the Administrator of DEA have operational control over FBI investigations? Would this not make for a better utilization of field resources?

Answer:

The DEA Administrator does not need to have operational control over FBI investigations. There are many cases in which drugs are but one part of the overall investigation being conducted by the FBI. It would be very difficult and a poor management practice to have the FBI isolate that part of its investigation which involves drug offenses. The current coordinating mechanisms, field and Headquarters liaison, use of guidelines, etc., are working well. There is no duplication of effort or resource expenditure at the present time. The work of the DEA and the FBI complement each other.

Question 26C:

Why should not the drug investigative work of all Federal agencies be coordinated by DEA?

Answer:

Other Federal agencies do coordinate their drug-related activities with DEA. Investigations at the Federal level are now conducted only by three entities: DEA, the FBI, and the OCDE Task Forces. U.S. Customs Special Agents have been authorized to temporarily conduct narcotic smuggling investigations under the direction of DEA for the South Florida Task Force. As described above, there have been no coordination problems involving cases initiated or managed by any of these organizations of a magnitude that would substantiate the need to have the investigations controlled by DEA.

Question 27:

Customs and the FBI can add useful narcotic investigative support to DEA but if it is not under the overall direction and operationally coordinated by DEA on a daily basis, it may well be counterproductive. Needless duplications, unintentional compromising of investigations and conflicting undercover operations which could even result in shootouts and the death of agents may occur.

The single drug enforcement agency concept has been with us since 1915 and was reaffirmed in 1973 when Customs drug investigation activity, a point of contention since 1930, was placed under DEA. When properly supported and directed, DEA and its predecessor agencies have been effective. We now see it understaffed and underfunded and demoralized by the so-called need for the FBI and Customs to assume a share of its drug investigative responsibility.

The legislative history of the Reorganization Plan II of 1973 makes it clear that Congress thought long and hard about the

wisdom of taking Customs out of the drug investigation activity by law before doing so. Implied in this, of course, the Congress did not envisage that the FBI would be assigned a permanent and autonomous drug investigative role.

This Committee believes that the intention of the Congress in strengthening the single drug enforcement agency concept with the formation of DEA in 1973 remains firmly the same and that the DEA should be given the resources and support it needs to carry out its responsibilities as mandated by the Congress. The withering away of the Special Agent strength of DEA followed by stopgap attempts to make up for this by the piecemeal assignments of Agents from the FBI, Customs, and the Bureau of Alcohol, Tobacco and Firearms to augment a weakened DEA does not make for effective drug enforcement. We would appreciate your comment on this issue.

Answer:

We agree that DEA should receive adequate resources and support to carry out its congressionally mandated mission. In the last several years, the Administration has supported requests for increased resources for law enforcement generally and for DEA specifically. This support came at a time when most Federal programs were experiencing cutbacks. For FY 1984, the Administration has submitted a \$20 million increase and additional positions for DEA.

We do not believe that the participation of other Federal agencies in the drug enforcement effort -- most notably through the South Florida Task Force, the OCDE Program, and NNBS -- violates the intention of Congress in 1973 to strengthen the single drug enforcement agency concept. It should be recognized, however, that drug trafficking today is far more sophisticated and complex than was perceived in 1973. There are now a multitude of Federal criminal violations associated with the illicit drug traffic; tax and banking law violations, racketeering, import/export statutes, and crimes involving firearms, among others, combine to create a broad universe of opportunity for the government to attack the drug problem. As a result, DEA's role as the lead agency in drug enforcement has become one of coordination. The support of other Federal agencies -- which coordinate their drug-related activities with DEA -- covers the full range of offenses committed by drug traffickers.

The participation of other agencies in drug enforcement is neither piecemeal nor stopgap. Rather, it is a coordinated government-wide effort under the overall authority of the Attorney General. Even the Vice President's South Florida Task Force, initially an ad hoc program to bring immediate relief to that region, has become a structured, institutionalized program with permanent commitments from various agencies. The OCDE Program, intended to supplement existing law enforcement programs, draws upon the expertise of other agencies as needed to

meet regional drug trafficking situations. NNBIS is interdiction - rather than investigation - oriented; it will complement the work of the OCDE Task Forces, with DEA conducting follow-up investigations.

Question 28:

Could you please elaborate upon your statement in your testimony that in implementing Federal narcotics policies "...we should stress that which we can immediately control and influence, and that is, the education, the rehabilitation and the domestic enforcement effort," as opposed to source country eradication and control?

Answer:

There was never any intention to emphasize the demand reduction and domestic enforcement elements of the Federal Strategy in opposition to international efforts. These domestic activities are ones over which we have immediate control because the Federal Government can create policies and strategies to implement them. Our ability to influence drug control policy in other nations is far less immediate and direct -- it relies on long-range diplomatic efforts the results of which may be several years off.

While DEA believes that the United States and the governments of other nations must work together to eliminate the cultivation and production of illicit drugs in source countries, we recognize that we must also accelerate our efforts in those areas over which we have more immediate control.

Question 29:

How does DEA establish its enforcement priorities: is this done on the basis of major drugs of abuse or major trafficking targets?

Answer:

DEA has established national priority objectives, the first of which is to "Commit DEA investigative resources to the highest levels of the traffic, with priority emphasis by drug to be formulated on a localized basis." This objective is further explained to mean that investigative resources will be primarily directed against multi-jurisdictional and international drug trafficking networks and organizations. Localized drug priorities are based on (1) the risk potential to the individual user; (2) user prevalence and demography; (3) the socioeconomic impact of drug abuse and trafficking; and (4) the role of the particular area in national and international trafficking patterns.

Based on input from DEA field offices, a national assessment of the drug problems and how they vary around the country is then developed. From that, DEA then targets for investigation the networks, the higher-ups, the financiers, and the involvement of organized crime.

Question 30:-

What is DEA's measure of success--seizures, convictions, asset forfeiture?

Answer:

DEA does not have a single indicator to measure success in reducing drug availability. Rather, there are several inter-related indicators: drug-related deaths and injuries, price/purity data, arrests and convictions by class of violator, number and location of drug seizures and the amount of the drugs seized, asset seizure and forfeiture, etc.

Question 31:

What is DEA's measure of success in reducing the availability of the major drugs of abuse? What level of availability would be acceptable? Does DEA have a strategy to realistically achieve these goals?

Answer:

There is no "acceptable" level of drug availability; any illicit use of drugs is "unacceptable." To work toward the long-range goal of eliminating all drug abuse, the United States has a multi-faceted approach, described in the Federal Strategy. DEA's overall strategy is contained in this Federal blueprint. DEA efforts are focused on: International Cooperation, Drug Law Enforcement, and Education and Prevention. The other two elements of the Strategy are: Detoxification and Treatment, and Research. Based on these broad objectives outlined in the Strategy, DEA then plans and develops more specific programs and initiatives to implement these goals. DEA's specific strategies are outlined in many documents, including our budget submissions.

(Also see Answer 30)

Question 32:

Would you kindly provide for our record a brief summary of the five most significant narcotic prosecutions developed by DEA for each calendar year from 1980 through 1983 to date?

Answer:

The following are synopses of some of the major cases reported to the Justice Department's Narcotics and Dangerous Drug Section for the years 1980 through 1983 to date. We believe that these cases represent the diversity of investigative approaches utilized by DEA.

Southern District of Indiana: On March 27, 1980, five individuals were convicted in a non-jury trial for their involvement in a conspiracy to distribute cocaine, d-amphetamine sulfate, sodium pentobarbital, amobarbital and methaqualone. The principal defendant, Bertram W. Sanders, M.D., was convicted on 29 counts of the indictment, including drug charges and violations of 26 U.S.C. 7206(1) (tax evasion).

Eastern District of Virginia: On April 3, 1980, two men were convicted of charges emanating from their roles in a conspiracy involving high-grade Iranian heroin. Shahrokh Bakhtiar, a naturalized American citizen, and Mohammad Roshan, a Washington restaurant owner holding a valid United States immigration permit, were convicted on various charges involving the importation and distribution of heroin. A third defendant earlier pleaded guilty to two racketeering counts. Bakhtiar was convicted on 14 counts including ITAR (Interstate Transportation in Aid of Racketeering), importation and distribution of heroin, and conspiracy to import and distribute heroin. Roshan was convicted on one count of distribution of heroin.

During the investigation, a DEA Special Agent posed as an organized crime figure seeking to buy large quantities of heroin. Over a five month period, he held meetings with Bakhtiar at various restaurants in the Washington, D.C. area, setting up and consummating four heroin transactions. The last transaction included a "flash" of a purported five million dollars and the delivery of three kilograms of heroin supposedly direct from Iran.

Southern District of Florida: On April 23, 1980, Robert Meinster, the convicted leader of the "Black Tuna" smuggling ring, was given sentences totaling 54 years in prison. In addition, he was fined \$270,000. On the Continuing Criminal Enterprise (CCE) count, the judge imposed a 31 year term; no parole is possible until that portion of the sentence is served.

On May 23, 1980, the principal codefendant, Robert E. Platshorn, was given a consecutive sentence totaling 64 years incarceration, which included 34 years on the CCE conviction

alone. He was fined \$325,000. Eugene A. Meyers, the third defendant charged with CCE was sentenced to 33 years; 21 years on his CCE conviction.

Eastern District of Virginia: On July 8, 1980, in Norfolk, the alleged drug kingpin of Virginia's Tidewater region was sentenced as a result of his July 7, 1980 conviction on various drug-related charges including violation of the CCE statute. Haywood Williams, Jr., 46 years old, was sentenced to life imprisonment, no parole possible. In addition, the judge sentenced Williams to a term of 45 years to run consecutive to the life term. On the first day of the trial, another defendant pled guilty to conspiracy to distribute heroin.

Williams was the first individual in the Eastern District to be convicted on CCE charges. The charges regarded his operation of the narcotics conspiracy, a multimillion dollar operation running 1973 through 1979. During the conspiracy, the defendants used violence, including a contract murder, to further the drug distribution conspiracy.

Southern District of Illinois: On August 7, 1980, three defendants pleaded guilty to information charging RICO conspiracy and tax violations. On August 26, five more defendants pleaded guilty to RICO conspiracy. These offenses were committed in furtherance of the activities of "The Company," an alleged criminal organization characterized as the largest marijuana smuggling group in the United States. These defendants were convicted through the efforts of a joint DEA/IRS investigative effort termed "Operation Gateway." One defendant, Michael J. Grassi, surrendered assets which included an airport valued at \$1 million, an airplane worth \$400,000 and \$250,000 in cash.

Southern District of Florida: In May 1981, the first two Miami trials to result from DEA's "Operation Grouper" ended with convictions carrying up to 90 years in penalties for four defendants. Jesus Gonzalez, Asnaldo Sanchez, and Emilio Raul Carreras were convicted on May 20, 1981, of conspiring to import more than 27 pounds of cocaine into the United States. On May 27, 1981, Gonzalez, Sanchez, and Geronimo Jose Garcia were convicted of conspiring to import multiton quantities of marijuana into the United States.

Southern District of Florida: On July 29, 1981, Donald J. Steinberg pleaded guilty to charges of violating 21 U.S.C., Section 848, becoming only the third person to plead guilty to violating the CCE statute since it became law in 1971. Steinberg was indicted along with 17 others in March of 1981 in Ft. Lauderdale and shortly thereafter was apprehended, having alluded authorities for almost two years.

As part of the CCE plea agreement, Steinberg agreed to forfeit all of his remaining assets not already seized by the Federal Government, approximately \$2 million, and also to plead guilty to all pending state charges against him.

Southern District of Illinois: On September 11, 1981, Manuel Viana-Medina pleaded guilty to RICO, CCE and 38 other distribution and ITAR charges. After waiving a presentence report, he was sentenced to imprisonment for 20 years (including 12 years without parole under the CCE count). Viana-Medina was the Colombian source of 280,000 pounds of marijuana imported into the United States by "The Company."

Central District of California: On October 26, 1981, John A. Gabriel, the former President and Chairman of the Board of Garfield Bank in Los Angeles, pleaded guilty to violations of Federal currency reporting laws. He also pleaded guilty to two income tax evasion counts. The charges related to a conspiracy between the defendants and Nathan Markowitz (a deceased attorney) to provide money laundering services for narcotics traffickers who brought Markowitz large amounts of money derived from illicit activities.

Pursuant to a plea agreement, the Garfield Bank was fined \$309,106 -- an amount equal to the bank's entire preaudited net income for 1980. John Gabriel was given probation and fined \$100,000. In addition, as a condition of the plea agreement, Gabriel has resigned his two positions at the bank. He and a corporation he owns, Gabriel Container Company, agreed to pay \$1,890,000 in back taxes, penalties and interest. The total amount of fines and other financial penalties imposed as a result of the plea agreement is \$2,299,106.

District of Maryland: On January 22, 1982, six defendants, including Moises Alvarez, Adolfo Mirabel, and Francisco Nunez-Varela, were convicted of conspiracy to distribute in excess of 1,000 pounds of marijuana. In addition, five of the six were also convicted of distribution of over 1,000 pounds of marijuana. Eight other defendants had earlier pleaded guilty to these charges or 21 U.S.C. 843(b), including Kenneth Freidman, secretary/treasurer of an International Longshoremen's Association local in New Jersey; Rafael Portunondo, an ILA organizer in Florida; and Milton Mainwold.

This case marks the culmination of the first joint DEA/FBI drug investigation in Maryland.

District of Maryland: On March 24, 1982, James Bello was convicted of violating the CCE statute. In addition, Bello, his wife, and Paul Raimondo were convicted on charges of conspiracy to distribute cocaine. The three, along with five others, had been indicted on October 7, 1981, in connection with their participation in a cocaine distribution ring in which Bello and his wife used their employment in the jewelry business to hide the true source of their income.

The jury found that Bello must forfeit three Florida properties including a Pompano Beach estate which had been put on the market for \$600,000, and property in Vero Beach which Bello had purchased after he found out he was under investigation.

Northern District of Florida: On August 19, 1982, former Florida state legislator Reuben W. "Smokey" Peaden was convicted of conspiracy, distribution of cocaine, unlawful use of a communication facility, and aiding and abetting others in an ITAR involving the distribution of cocaine. During trial, it was brought out that Peaden was involved in at least four cocaine deliveries of about one pound each.

Peaden was convicted after members of the conspiracy who had previously pleaded guilty or who were convicted on earlier charges testified that Peaden was attempting to finance a campaign for sheriff of Escambia County with proceeds derived from the distribution of cocaine. In addition, the witnesses testified that, if elected, Peaden had agreed to use his position to protect the ring.

Southern District of New York: On November 13, 1982, 10 defendants were convicted of narcotics and firearms charges after a three-week-long trial. The charges dealt with the defendants' participation in a drug distribution ring which during the first six months of 1982 was responsible for the distribution of \$1,290,000 worth of heroin and cocaine in New York, Massachusetts, Connecticut and Pennsylvania.

The chief defendant, Jose Martinez-Torres, was the organizer of the narcotics conspiracy. He was convicted of violating the CCE statute. Evidence adduced during trial revealed that Martinez-Torres sold hundreds of thousands of bags of heroin under the brand name "La Tunba" -- a misspelling of the Spanish word for "tomb" -- and cocaine under the brand name "Nice," to wholesalers who for the most part were located in New York, but also included Carmelo Rivera in Massachusetts, who is presently serving a term for narcotics distribution.

Southern District of California: On September 10, 1982, Marcel Oberlin and two others, including his wife, were convicted of charges relating to their participation in a cocaine importation and distribution ring which operated out of San Diego. The charges of which they were variously convicted included conspiracy to import cocaine, conspiracy to possess with intent to distribute cocaine, and ITAR. Oberlin was also convicted of operating a continuing criminal enterprise and was ordered to forfeit his interest in the Blue Creek Land and Cattle Company in Montana, which is a holding company owned by the Oberlins.

The case resulted from a reverse undercover ("sting") operation during which Agents posed as cocaine suppliers and arranged for a bogus sale of five kilos of cocaine to Oberlin.

Northern District of Florida: On December 30, 1982 and January 3, 1983, 13 defendants were sentenced following their convictions for participation in an organization which imported more than a million pounds of marijuana into the United States from 1977 until early 1981. The convictions marked the end of

the two trials growing out of the widespread Federal, state and local investigation code-named "Operation Sunburn." Jose Luis Acosta, who had been convicted of being the leader of the corporation-like drug-smuggling organization (which even had a board of directors), received a sentence of 60 years imprisonment without possibility of parole on the 21 U.S.C. 848 count, and a concurrent 60 years imprisonment on the RICO and other drug-related charges. Draden H. Padget and Joseph A. Brown both received sentences of 40 years imprisonment and a fine of \$200,000, as well as two-year special parole terms. The other defendants received from four to 25 years in prison and fines of \$15,000 and up; all but one defendant also received a two-year special parole term.

In addition to the 23 convictions thus far obtained, the two trials have resulted in forfeitures to the Government valued in excess of \$7 million, including 56 acres of Florida waterfront property, a marina, a home which the Government has already sold for \$700,000, \$1.2 million in cash, and six corporations.

Southern District of New York: On January 7, 1983, Oreste Abbamonte, Joseph Delvecchio, and Lorenzo DiChiara pleaded guilty to charges including conspiracy to distribute heroin and distribution of heroin. Abbamonte and Delvecchio were on parole as a result of prior narcotics convictions when they were arrested for having 20 pounds of high-purity heroin in their possession.

The case was the result of an investigation begun in September 1982, after undercover Agents made contact with Abbamonte and Delvecchio. The two sold three kilograms of heroin to the Agents in October. In November, the Agents, using a bag containing a flash roll of \$1.9 million, met with Abbamonte and Delvecchio to purchase over 37 pounds of heroin. The two were arrested and the cash did not change hands.

Southern District of New York: On March 3, 1983, Herman Witt, Gary Ellentuck, and Robert Rosenberg were convicted of a number of charges, including CCE and RICO, in connection with their operation of clinics that illegally distributed methaqualone in Chicago, Boston and New York. Three other defendants were also convicted with respect to charges that they participated in the organization which set up stress and diet clinics to dispense methaqualone into the illegal drug market. Several physicians who worked at the clinics testified that Quaaludes (a brand name for methaqualone) were prescribed to patients who paid from \$50 to \$150 for each prescription. One of the physicians -- Dr. Ronald Asherson -- had previously pleaded guilty to conspiracy charges. Ben Rose, another codefendant, pleaded guilty to four methaqualone-distribution charges in addition to an income tax count. He also testified for the Government and forfeited his pharmacy (the Edlich Pharmacy) in Manhattan.

The case was a joint DEA/IRS investigation.

District of Maryland: On March 3, 1983, Thomas C. Ricks was sentenced to a term of 45 years imprisonment as a result of his January 5, 1983 conviction for violations of the Federal drug statutes including conducting a CCE. The sentence is without the possibility of parole. On March 16, 1983, his codefendant, Maurice "Peanut" King, who was also convicted in January of violating 21 U.S.C. 848, was sentenced to a 50-year prison term. Seven other codefendants were sentenced with Ricks. Kenneth Hurt was sentenced to serve six additional years after completing his 16-year state sentence. Marcel Moffatt was given a 15-year term, and Kerney Lindsey was sentenced to serve 10 years in jail. The remaining four defendants received terms ranging from two to eight years incarceration.

In a related case on March 18, 1983, Melvin M. Stanford, convicted on February 1, 1983 for operating a CCE rivaling that of Ricks and King, was sentenced to a 30-year term without the possibility of parole.

Southern District of New York: On May 23, 1983, Eduardo Orozco-Prada was convicted of charges relating to his operation of a large-scale drug money-laundering scheme. The Government was able to trace \$150 million in cash deposited into 18 different bank accounts and then transferred to accounts in other countries, such as Colombia, Panama and Switzerland. Orozco, a Colombian who has been in the United States since 1976, operated a coffee import business named Cirez International. He was indicted on November 30, 1982. Convicted with him were his brother Humberto Orozco, Mahlon Clark and Paul Forand.

This case is reportedly the first prosecution in which the conviction of a money launderer on drug charges was based solely on that person's role as the launderer of drug profits derived from illegal drug operations. While Orozco never touched any of the drugs involved in the case, the Government established that his participation in the drug conspiracy consisted of knowingly laundering the fruits of that conspiracy. On September 8, 1983, Orozco-Prada was sentenced to eight years in prison and fined \$1 million.

Eastern District of Pennsylvania: On July 15, 1983, at the conclusion of a bench trial, four defendants -- John DiSalvo, Joseph Maleno, Dominic Florio and Ralph Pultrone -- were found guilty of conspiracy to distribute methamphetamine and use of a telephone in furtherance of the conspiracy. Maleno was acquitted of CCE charges, but was also convicted of possession with intent to distribute methamphetamine. Eight other defendants who had been indicted with the four had previously pleaded guilty to various charges.

The defendants were charged in a single conspiracy where the evidence revealed a six-step vertical chain in the organization which distributed the methamphetamine. By use of evidence

obtained from four wiretaps, which had been placed at various levels of the conspiracy, the Government was able to convince the judge that the six steps constituted a single conspiracy. The convictions were all of individuals involved in four of the six steps in the chain. During the course of the trial, the judge found as to some defendants that while their conversations alone were not sufficient to show membership in the conspiracy due to the coded and cryptic nature of the conversations, membership in the conspiracy could be established by statements made by other persons which constituted verbal acts in furtherance of the conspiracy.

Question 33:

Given tight budgets, has DEA been able to maintain its two week Basic Training School for state and local narcotic enforcement officers? How many schools have been held annually from 1980 through 1983 to date?

Answer:

DEA has continued to hold its two-week Basic Training Schools for state and local narcotic officers. These and other DEA training statistics are kept by fiscal year only. The number of these two-week schools is as follows:

FY 80	51
FY 81	58
FY 82	31*
FY 83	48 (through August 31, 1983)

*Reorganization of DEA field elements

Question 34A:

Also, have budget constraints prevented DEA from continuing its highly regarded 10 week advanced narcotic training school for state and local narcotic enforcement officials? How many have been held from 1980 through 1983 to date on an annual basis?

Answer:

DEA has continued to hold the advanced narcotic training schools for state and local officers, although the program is presented in an eight-week academy. The number of these academies is as follows:

FY 80	2
FY 81	1
FY 82	2
FY 83	1 to date

In addition to the Basic and Advanced Training schools provided for state and local officers, DEA has conducted a number of one-week schools related to the Domestic Marijuana Eradication Program. In 1982, four schools were held -- Georgia, Oklahoma, Washington State and Virginia. In 1983, 19 schools were conducted across the United States. In addition, a number of one-day seminars are being conducted in several areas. Approximately 80 state and local officers were locating and eradicating marijuana plots by the end of 1983. DEA is also providing course material to states which are conducting their own training programs.

DEA will continue to support state and local officers through extensive programs taught by DEA Division Training Officers in the field, at the Federal Law Enforcement Training Center in Glynco, and at the FBI National Academy in Quantico.

Question 34B:

Have the international in-country basic two week training schools been continued on a regular basis? How many have been held from 1980 through 1983 to date on an annual basis?

Answer:

The International In-country Training Program has been continued on a regular basis since its inception in 1970. During the early years of the program, the in-country training consisted almost exclusively of basic two-week training schools. In the late 70's, the success of DEA's institution-building efforts made it possible in many countries to shift responsibility for basic narcotic training to local agencies using DEA-trained personnel. DEA's in-country program, while continuing basic training in those areas where such a need still existed, focused on joint training programs and on advanced and specialized narcotic training. During the period 1980 to 1983, DEA conducted a variety of in-country training programs on an annual basis as follows:

FY 1980	19	in-country schools
FY 1981	27	"
FY 1982	22	"
FY 1983	28	" (as of 8/19/83; two additional schools are planned in this fiscal year)

Question 34C:

Has the Advanced International Narcotic Training School been continued on a regular basis? How many schools have been held from 1980 through 1983 to date on an annual basis?

Answer:

The Advanced International Training School, now called Advanced International Drug Enforcement Officers Academy (AIDEOA), has continued on a regular basis. From 1980 to date, they are as follows:

FY 1980	2	
FY 1981	3	
FY 1982	3	
FY 1983	3	(one additional school planned in this fiscal year)

Question 35:

Can you tell us how many court approved wiretaps were utilized by DEA in 1980, 81, 82 and 83 to date, and how many prosecutions were developed as a result of these taps? How many defendants were convicted by class of violator from I to IV?

Answer:

Number of Court-approved Wiretaps Utilized by DEA 1980 - August 1983.

1980	21	(6 of which were extensions)
1981	23	(17 ")
1982	35	(17 ")
1983	40	(16 ")

It is not possible to break out prosecutions and convictions resulting from these taps.

Question 36:

The Committee has been told that on some wiretaps, the FBI has requested DEA jointly conduct with them because they were thought to be organized crime drug-related; that after much time and manpower was expended, it was found drugs were not involved. DEA Agents feel it is a waste of precious manpower for them to in effect be supporting FBI organized crime investigations when the FBI is supposed to be adding to drug enforcement, and by this practice subtracting resources from it. Can steps be taken to prevent this?

Answer:

The use of court-approved wiretaps is a necessary and useful investigative technique designed to reveal high-level organized

crime participation in the drug traffic. We recognize that the practice is expensive and that, as with other investigative approaches, the expenditures of manpower required do not always yield the desired results. The approach, however, has proven to be an invaluable means of uncovering conspiratorial links among individuals that could not be established through conventional penetrations of trafficking groups. The best mechanism for preventing fruitless applications of time and resources to wiretaps is the strict legal standard of probable cause required to undertake them and the vigorous application of that standard by Federal courts.

Question 37:

With regard to personnel utilization, at a time when it would appear all available DEA Special Agents should be assigned to drug enforcement investigations, we are told that some are being assigned to administrative support positions traditionally held by non-Special Agent employees. This is said to be an FBI policy to have all technical and administrative positions assigned to Special Agents. This seems to us to be a waste of Special Agent enforcement resources. Could you please comment?

Answer:

It should first be recognized that when DEA reorganized in July 1982, one of the primary considerations in dismantling the regions was the release of Special Agents from administrative and support functions such as planning and evaluation staffs and the inspection service, and centralizing those operations in Headquarters, where professional/technical staff could assume some of those tasks. Thus, in each region, DEA was able to return Special Agents to drug investigative work.

DEA has recently added two managerial positions in the Operational Support Division, which is responsible for administrative matters. Supervisory Special Agents were chosen to fill these positions. These selections coincide with and are a part of the implementation of DEA's Special Agent Career Development Program, which has been designed, in part, to develop a cadre of well-rounded managers for both DEA field and Headquarters operations. Potential managers, from the Group Supervisor level through and including Special Agents in Charge, need training and experience in all aspects of managing a drug law enforcement program, and this includes administrative matters. Historically, DEA and the FBI have used management-level supervisory Special Agents for some Headquarters staff functions. The utilization of Agents in these two new positions does not diminish the number of Agents available for investigations.

Question 38:

From 1930 through 1968, the FBN, the original predecessor to DEA, was organized into 15 domestic districts. When the FBN was merged into the BNDD, the same 15 domestic districts became 15 domestic regions. When DEA was created, this structure was continued. DEA was subsequently reduced to 11 regions and then to five. Your recent organization has created 19 domestic area units now called divisions. It seems in 50 years we have gone back to square one from 15 units called districts to 19 units now called divisions, with 14 years of calling them regions in between. What, if anything, has all this accomplished?

Answer:

The purpose of the DEA reorganization, undertaken in July 1981, was to provide for more effective control over, and utilization of, DEA resources. The five regional offices were eliminated, and the administrative and managerial functions they performed were either transferred to Headquarters or reverted to the field offices themselves, thereby eliminating one layer in the chain of command.

Field elements are now directly responsible for the execution of resource and policy decisions made at Headquarters and for the direct supervision and administration of field activities.

In addition to the elimination of the regional structure, DEA was placed under the general policy supervision of the FBI Director. The reorganization has moved the two agencies toward compatibility of administrative procedures.

Question 39:

We hear complaints that your reorganization, whereby all administrative functions from the former regions have been transferred to DEA Headquarters, has broken down and that in many cases payments to vendors who have furnished goods and services are in arrears anywhere from 60 days to 150 days. Further, some of those vendors, including car rental agencies are refusing to do any further business with DEA pending payment of bills. This is now disrupting logistical support to important DEA investigations.

How do you propose to correct this administrative breakdown? Obviously DEA Headquarters was inadequately organized to assume the administrative workload formerly handled by the regions.

Answer:

It is true that there were some administrative problems in the early stages of the reorganization that put some payments to vendors in arrears. Now that the transfer of administrative

functions to Headquarters has been completed, these difficulties no longer exist.

Question 40:

In New York, following the creation of DEA in 1973, a Unified Intelligence Division (UID) was established. It was housed in the DEA office and was composed of DEA, New York City Police narcotic specialists, the New York State Police narcotic specialists and the DEA-New York City Police Joint Task Force. This was a historic first where four major drug enforcement entities from the Federal, state and local governments pooled the collection and sharing of drug enforcement intelligence. An important element of the UID was the development of what is known as DECS (Drug Enforcement Coordinating System). What this amounts to is when one of the participating agencies is about to initiate a drug investigation, it queries "DECS" to determine if the target is currently under investigation. If the response is positive, the inquiring agency is bound not to initiate its investigation but confer with and add its potential input to the agency which already has the subject under investigation. This system has been highly successful and has been lauded by prosecutors and law enforcement officials.

We are told the FBI does not participate in DECS at New York. This would mean that the FBI is operating unilaterally on narcotic investigations while the statutory agencies are working together. Could you explain why the FBI is not participating in DECS?

Answer:

Through its agreement with the New York Police Department and the New York State Police, DEA is the only Federal agency with direct access to DECS, which is a system operated by the New York Police Department. Although the FBI is not a participant in the UID in New York, it does participate in DECS through DEA.

DEA/TEA COOPERATIVE DRUG REMOVALS
FY 1980

<u>Drug</u>	<u>*DEA/TEA Coop</u>	<u>Customs Referrals</u>	<u>INS Referrals</u>	<u>**Other Federal Referrals</u>
Marijuana (kilos.)	372,578.18	74,155.65	3,567.19	46,015.47
Marijuana (lbs.)	821,380	163,482	7,864	101,445
Hashish (kilos.)	2,382.35	368.26	-	-
Heroin (kilos.)	193.42	55.13	-	-
Cocaine (kilos.)	2,440.31	809.90	.55	-
Dangerous Drugs (d.u.)	37,414,444	1,466,076	2,264	3,069,988

*Includes Customs, INS & Other Federal Referrals.

**FBI referrals included.

SOURCE: STRIDE

DEA/IEA COOPERATIVE DRUG REMOVALS

FY 1981

<u>Drug</u>	<u>*DEA/IEA Coop</u>	<u>Customs Referrals</u>	<u>INS Referrals</u>	<u>**Other Federal Referrals</u>
Marijuana (kilos.)	1,076,509.35	192,130.43	3,434.45	373,004.30
Marijuana (lbs.)	2,373,257	423,568	7,572	822,320
Hashish (kilos.)	8,468.07	3,088.25	28.29	-
Heroin (kilos.)	209.06	63.28	-	-
Cocaine (kilos.)	1,872.41	511.11	1.03	123.07
Dangerous Drugs (d.u.)	69,585,220	4,853,564	84,545	948,606

*Includes Customs, LJS & Other Federal Referrals.

**FBI referrals included.

SOURCE: STRIDE

DEA/DEA COOPERATIVE DRUG REMOVALS
FY 1982

<u>Drug</u>	<u>*DEA/DEA Coop</u>	<u>Customs Referrals</u>	<u>INS Referrals</u>	<u>Other Fed. Referrals</u>	<u>FBI/DEA Coop</u>	<u>FBI (Only)</u>
Marijuana (kilos.)	1,074,338.91	51,266.14	3,896.50	301,059.62	.01	2.03
Marijuana (lbs.)	2,368,472	113,021	8,590	662,712	-	4
Hashish (kilos.)	6,807.06	1,001.87	8.57	.78	1.0	-
Heroin (kilos.)	239.82	99.76	-	-	-	-
Cocaine (kilos.)	4,946.54	1,114.63	5.84	21.80	.05	.15
Dangerous Drugs (d.u.)	51,004,831	11,976	106,207	17,398	377	1,138

*Includes Customs, INS, Other Fed. Referrals & FBI/DEA Coop.

SOURCE: STRIDE

DEA/TEA COOPERATIVE DRUG REMOVALS
FY 1983

<u>Drug</u>	<u>*DEA/TEA Coop</u>	<u>Customs Referrals</u>	<u>INS Referrals</u>	<u>Other Fed. Referrals</u>	<u>FBI/DEA Coop</u>	<u>FBI (Only)</u>
Marijuana (Kilos.)	1,044,648.10	20,750.64	15,591.30	27,276.98	31.02	2,262.28
Marijuana (lbs.)	2,303,016	45,747	34,372	60,214	68	4,987
Hashish (kilos.)	1,302.18	8.94	33.11	--	.03	3.06
Heroin (kilos.)	306.04	88.61	-	-	.84	3.81
Cocaine (kilos.)	7,558.04	196.17	16.47	14.06	214.95	328.40
Dangerous Drugs (d.u.)	20,194,113	5,720,663	75,677	60,571	59,149	1,938,189

*Includes Customs, INS, Other Fed. Referrals & FBI/TEA Coop.

SOURCE: STRIDE

OPENING STATEMENT FOR MORNING SESSION BY
CHAIRMAN CHARLES B. RANGEL

GOOD MORNING, LADIES AND GENTLEMEN.

THIS IS THE FIRST HEARING OF THE SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL IN THE 98TH CONGRESS. IT STARTS A SERIES ON THE GENERAL TOPIC OF DRUG LAW ENFORCEMENT STRATEGY. THE COMMITTEE'S BROAD OVERSIGHT RESPONSIBILITY CHARGES US TO COVER ALL ASPECTS OF THE WORLDWIDE PROBLEM OF ILLEGAL DRUGS, INCLUDING DRUG ABUSE PREVENTION AND TREATMENT AND THE PERFORMANCE OF THE MANY FEDERAL AGENCIES THAT DEAL WITH THE SITUATION.

EFFECTIVE ENFORCEMENT OF THE DRUG LAWS, OF COURSE, IS A PREREQUISITE FOR PROGRESS AGAINST THE SPREADING THREAT OF DRUG ABUSE IN OUR POPULATION. ILLICIT SUPPLIES MUST BE BROUGHT UNDER CONTROL -- AND SEEN TO BE UNDER CONTROL -- TO GIVE EDUCATION HALF A CHANCE TO COMPLETE ITS JOB.

IT IS APPROPRIATE THAT WE HAVE AS OUR FIRST WITNESS THE ACTING ADMINISTRATOR OF THE DRUG ENFORCEMENT ADMINISTRATION, MR. FRANCIS M. MULLEN, JR. MR. MULLEN COMES HERE WITH A WEALTH OF FEDERAL ENFORCEMENT EXPERIENCE, AS AN FBI OFFICIAL BEFORE HIS PRESENT ASSIGNMENT AS THE HEAD OF THE DEA.

AS THE LEAD AGENCY IN FEDERAL DRUG ENFORCEMENT, THE DEA IS OUR PRIME SOURCE OF INSIGHT INTO HOW SERIOUS THE CURRENT PROBLEM IS, WHAT THE TRENDS ARE TOWARD WORSENING OR IMPROVING THE OUTLOOK, AND THE SUCCESSES AND FAILURES OF THE MANY-SIDED ENFORCEMENT EFFORT. IN PRELIMINARY CONTACTS WE HAVE ASKED MR. MULLEN TO PROVIDE US ANSWERS TODAY TO SEVERAL OF OUR SPECIFIC QUESTIONS. MORE QUESTIONS WILL OCCUR TO US AS THE HEARING PROGRESSES.

I WANT TO STRESS THAT OUR MAJOR OBJECTIVE IS NOT TO CRITICIZE WHAT IS BEING DONE, OR HAS BEEN DONE IN THE PAST, BUT TO SEARCH OUT WAYS THAT WE IN CONGRESS CAN CONTRIBUTE TO STRONGER ANTI-DRUG EFFORTS IN THE MONTHS TO COME.

THE DEA ITSELF HAS BORNE A HEAVY BURDEN, AND HAS A LONG LIST OF SIGNAL ACHIEVEMENTS, IN THE NATION'S CAMPAIGN AGAINST DRUG TRAFFICKING. WE WANT TO BE SURE THAT THE DEA CONTINUES TO BE AS FULLY EFFECTIVE AS IT CAN BE, AS THE ADMINISTRATION REORGANIZES ITS FORCES ON THE DRUG FRONT AND RESHAPES ITS MECHANISMS OF LEADERSHIP. THE DEA'S ROLE IS CRUCIAL NOT ONLY IN OUR NATION'S CITIES AND ON OUR BORDERS, BUT IN THE COOPERATIVE EFFORTS WE PURSUE WITH FOREIGN ENFORCEMENT AGENCIES AGAINST THE INTERNATIONAL TRAFFIC.

WE BEGIN OUR COMMITTEE'S INQUIRIES WITH AN OPEN MIND ABOUT HOW WELL THE BATTLE IS BEING WAGED AND WHO APPEARS TO BE GAINING THE UPPER HAND. BUT THERE ARE SOME DISQUIETING PERCEPTIONS OF THE SITUATION THAT WILL NEED TO BE DEALT WITH EARLY IN OUR AGENDA.

THE NUMBERS OF HARD-CORE ADDICTS, AND THE PROBLEMS THEY CAUSE THEIR FELLOW CITIZENS, SEEM TO BE INCREASING. IN THE FACE OF ALL ENFORCEMENT EFFORTS, SUPPLIES OF ILLEGAL DRUGS SEEM TO BE INCREASING FOR THIS GROWING ADDICT POPULATION. DRUG ABUSE APPEARS IN NEW VARIETIES AS UNWARY PEOPLE SEEK DIFFERENT CHEMICAL EXPERIENCES. CHILDREN ENCOUNTER THE DRUG CULTURE AT YOUNGER AGES, AND FEEL PRESSURE TO TAKE PART. THE DOMESTIC CULTIVATION OF MARIHUANA IS SPREADING TO ACCOUNT FOR AN INCREASING PERCENTAGE OF THE NATION'S CONSUMPTION.

DESPITE THESE SIGNS OF TROUBLE, THERE HAS BEEN NO CORRESPONDING INCREASE IN THE RESOURCES DEVOTED BY THE ADMINISTRATION TO DRUG ENFORCEMENT, OR REQUESTED FOR THE FUTURE. ON THE CONTRARY, THE NUMBERS OF DEA AGENTS NOW IN THE FIELD, FOR INSTANCE, ARE WELL BELOW THE PEAK LEVELS OF A FEW YEARS BACK. PERHAPS THERE ARE EFFICIENCIES, OR ALTERNATE WAYS OF GETTING THE WORK DONE, BUT THE COMMITTEE NEEDS TO KNOW WHAT THESE ARE.

AS AN ALL-EMBRACING MATTER, THE COMMITTEE EVENTUALLY HAS TO MAKE SOME CONCLUSIONS ABOUT THE QUALITY OF THE ADMINISTRATION'S ENTIRE DRUG STRATEGY, AND ITS WILLINGNESS TO PAY FOR WHAT IS NEEDED. OUR INITIAL LOOK AT ENFORCEMENT IS A GOOD PLACE TO START.

THERE ARE WAYS TO MEASURE THE EFFECTIVENESS OF ENFORCEMENT. WE CAN LOOK AT ARRESTS, AND THE IMPORTANCE OF THOSE ARRESTED AND CONVICTED IN DRUG TRAFFICKING, AND AT THE QUANTITIES OF DRUGS SEIZED AND THEIR VALUE IN THE ILLICIT MARKET. ULTIMATELY, THE MEASURE OF SUCCESS MUST BE THE SITUATION THAT REMAINS AFTER THE DRAMATIC DRUG BUST HAS BEEN MADE: IS HEROIN STILL PLENTIFUL ON THE STREET, ARE ADDICTS AND ARMED DRUG DEALERS STILL MENACING PEACEFUL CITIZENS, ARE WE STILL FACING GRAVE HUMAN AND ECONOMIC DAMAGE FROM THE WIDESPREAD MISUSE OF ILLEGAL SUBSTANCES?

PERHAPS SOME PARTS OF THE PROBLEM ARE OUT OF THE IMMEDIATE RANGE OF OUR OWN ENFORCEMENT AGENCIES, LIKE THE PRODUCTION OF U.S.-BOUND DRUGS IN FOREIGN COUNTRIES. HOW CAN WE BETTER USE DIPLOMACY, AND FOREIGN AID TO PURSUE REMEDIES ABROAD? THE DEA, WITH ITS INTERNATIONAL EXPERIENCE, CAN HELP US WITH THIS DIMENSION OF THE DRUG TRADE AS WELL.

I FEEL SURE THAT MR. MULLEN HAS A LOT OF THE ANSWERS WE ARE SEEKING AND WILL GLADLY SHARE THEM WITH US. I WELCOME HIM TO THIS PROCEEDING. BEFORE HEARING FROM MR. MULLEN, DO ANY OF MY COLLEAGUES ON THE COMMITTEE WISH TO MAKE OPENING COMMENTS?

PREPARED STATEMENT OF

FRANCIS M. MULLEN, JR.

ACTING ADMINISTRATOR,
DRUG ENFORCEMENT ADMINISTRATION,
U.S. DEPARTMENT OF JUSTICE

Chairman Rangel and distinguished members of the Select
Committee:

I am pleased to have the opportunity to appear before this
Committee today to discuss the Drug Enforcement Administration's
role in the implementation of the 1982 Federal Strategy for
Prevention of Drug Abuse and Drug Trafficking.

Mr. Chairman, I know that you and the other members of the
Committee join me in being encouraged by recent evidence that
certain elements of drug abuse in the U. S. have abated somewhat:
marihuana use among teenagers appears to be down slightly, the
sharp increase in PCP abuse experienced during the past decade is
tapering off, and we have seen a significant reduction in abuse of
methaqualone in the past year. However, our optimism over these
specific positive trends must be tempered by the hard realization
that the seriousness of the drug abuse problem overall remains with
us and drug abuse levels remain unacceptably high.

National trends project that major drugs of abuse will continue
to be abundant at least through 1985, and our drug abuse problems
will remain as long as there is a world glut in narcotics and
dangerous drugs.

Drug trafficking is the most serious crime problem confronting America today. It is inextricably tied to organized crime, which seeks to exploit the more vulnerable in our population through patterns of violence, public corruption, and illegal profiteering that combine to threaten each person and institution in our society. It is a particularly difficult problem because these organizations are secretive, self-perpetuating criminal enterprises whose vast financial resources and involvement in a myriad of business activities -- both legitimate and illegitimate -- make them less susceptible to penetration by law enforcement.

The goal of DEA is to stabilize and then minimize the drug problem by vigorous law enforcement actions designed to disrupt criminal drug trafficking organizations. Through the apprehension, conviction, and punishment of drug traffickers, through the removal of their drugs from the illegal market, and through assuring the forfeiture of their accumulated profits and proceeds, DEA seeks to immobilize this world-wide criminal enterprise. In combination with strong drug abuse prevention and education efforts and a committed international narcotics control program, drug law enforcement can have a significant impact on reducing drug abuse and the crime, violence, and corruption associated with it.

It is in pursuit of this goal that the 1982 Federal Strategy and the activities of DEA are directed. Before detailing the specific programs and efforts DEA has undertaken, I would like to provide the Committee with an overview of the current drug trafficking situation.

ASSESSMENT OF THE DRUG TRAFFICKING SITUATION

HEROIN

The increase in heroin availability and abuse in the United States is largely attributable to the continued availability of heroin from all three source areas. On the West Coast, Southeast Asian heroin has a 10 percent share of the national market. An influx of higher-purity Mexican heroin provides about 36 percent of the heroin in the United States. Mexico continues to provide the majority of the heroin in the midwest and west. Southwest Asian heroin continues to account for more than half of the United States heroin supply, and tends to be dominant in the eastern part of the country.

Iran, Afghanistan, and Pakistan are the major producers of opium in Southwest Asia, with the majority originating in Pakistan and moving overland through Europe to the United States. Southeast Asian heroin from the Golden Triangle (Burma, Thailand, and Laos) enters the United States primarily on a direct route from Thailand to the western states. Mexican heroin continues to enter the United States overland.

Heroin will remain available for the foreseeable future because of extensive opium cultivation and expanding heroin conversion capabilities. Southwest Asian producers have ample opium stockpiles that assure a sustained supply. The prospect for effective suppression in Iran and Afghanistan are not good because of their critical domestic problems. Record opium harvests in the Golden Triangle of Southeast Asia may motivate traffickers in that area to accelerate their activities. Finally, Mexico's current economic distress may tend to induce more people to assume greater risks in cultivating opium and smuggling heroin across the U. S. border, working in opposition to the Mexican government's opium eradication efforts.

COCAINE

Colombia is the principal processor of cocaine hydrochloride in South America, and provides the majority of the cocaine sold in the U. S.. Bolivia and Peru are the most important sources of coca leaf. Colombian cocaine reaches the U. S. by a variety of means, most notably vessel and private aircraft entering Florida.

Cocaine availability and abuse are expected to continue in the U. S. because of several factors: the high profit margin realized by drug traffickers, the presence of highly organized Colombian trafficking networks using sophisticated smuggling techniques, the broad geographic

and sociological appeal of cocaine in this country, sophistication in smuggling techniques, and the fact that coca cultivation is expanding. The health consequences of cocaine abuse are expected to become more and more severe as alternative dangerous means of administering the drug, such as "freebasing" and "speedballing", become more popular. Enforcement efforts in South Florida may be expected to continue to influence the use of alternative trafficking routes.

AMPHETAMINE

The primary source of illicit methamphetamine in this country remains domestic clandestine laboratories, augmented by some smuggling from Mexico. Our intelligence indicates heavy trafficking of methamphetamine by West Coast motorcycle groups, both in the west and in other parts of the United States. In addition, various motorcycle gangs control virtually all illicit manufacture and distribution in Texas, where one-third of the clandestine laboratory seizures were made in 1982. Most of these Texas gangs maintain links in other states and in Canada.

METHAQUALONE

Vigorous diplomatic efforts aimed at curtailing the diversion of bulk methaqualone from legitimate international commerce have caused a reduction in methaqualone availability and abuse in the United States. In addition, enforcement activities have resulted in numerous major seizures of the drug, arrests of

high-level traffickers, and several clandestine laboratory seizures.

The primary source of counterfeit Quaalude tablets is clandestine tableting operations located in South America, which utilize bulk powder diverted from a variety of sources worldwide. Diversion from domestic sources -- including "stress clinics" and other means of prescription fraud -- account for a much smaller but significant portion of the illicit supply. Methaqualone is trafficked primarily from Colombia to Florida, where smuggling of the drug is frequently carried out by cocaine and marihuana trafficking organizations.

International cooperative efforts should continue to restrict the supply of bulk methaqualone to the illicit market in the United States. As the supply of methaqualone declines, however, trafficking in counterfeit methaqualone, containing dangerous amounts of diazepam (Valium) and other substances, will continue to increase. The People's Republic of China, which has recently been a major source of bulk methaqualone powder, has agreed to place restrictions on the export, sale, and distribution of methaqualone powder, further limiting traffickers' access to the raw material.

OTHER DANGEROUS DRUGS

The abuse of non-amphetamine stimulants such as Preludin and Ritalin, and anorectic drugs such as phendimetrazine is

increasing gradually. These substances reach the illicit market primarily through prescription fraud, theft, and other forms of diversion. There is some evidence that certain stimulants are being smuggled into the United States from Canada. There is also evidence that phenyl-2-propanol (P2P), a methamphetamine precursor in Schedule II of the Controlled Substances Act, is being smuggled from Canada by motorcycle gang trafficking groups.

Abuse of barbiturates and diazepam is declining. For the most part, abused barbiturates are legitimately manufactured or smuggled into the United States; there is little clandestine manufacturing. The decline in barbiturate use in recent years is most likely a consequence of rescheduling, public awareness of the dangers of barbiturate use, and the availability of other depressants, such as methaqualone and diazepam. Although diazepam, a non-barbiturate sedative, has consistently had the most frequent incidence of reported abuse, in 50 percent of abuse episodes the source for the diazepam was legal prescriptions. The balance of abuse episodes was accounted for by diversion from licit channels, an activity that is expected to continue because the relatively low price of diazepam tablets.

During the last three years, the widespread use of pharmaceutical narcotic substitutes for heroin has become common among heroin users and addicts in some cities. The combination of Talwin,

an analgesic, and pyribenzamine, an antihistamine under the street name "T's and Blues", appears to be supplanting heroin in some cities. Through a cooperative effort involving the manufacturer of Talwin, the Food and Drug Administration and the DEA, a new Talwin formulation has been introduced into the market to replace the current product. This new formulation may prove to be less susceptible to abuse than the earlier form. Additionally, during the past year a codeine and glutethimide combination has been reported under the street name "Fours and Doors". Also, Dilaudid abuse in the United States has increased substantially in the last two years.

During the past several years, the wholesale vending of "look-alike" drugs has become a major drug abuse problem. Look-alikes are tablets or capsules that are manufactured to resemble controlled substances, but that contain non-controlled over-the-counter drugs. The user who consistently ingests five or six of these pills is exposed to great danger when he inadvertently does the same thing with real controlled drugs such as amphetamine. In addition, incidents of overdosing on look-alikes have been reported.

MARIHUANA

Despite a continuation of the decline in popularity among high school students, marihuana abuse and availability

continue to be widespread nationally.

Colombia continues to be the major cultivator and exporter of marihuana to the United States, and despite high levels of enforcement pressure in the Caribbean area, Colombia is expected to continue to supply about one-half of the marihuana consumed in the United States. Marihuana is smuggled in multi-ton shipments by vessel and by private general aviation aircraft.

Colombian marihuana smuggling is highly organized. A few large multi-drug organizations operating in the northern coastal cities of the country arrange and supervise most of the smuggling operations. These organizations deal easily in multi-ton quantities and often work together to arrange large deliveries to the United States, where their U. S. members control off-loading and distribution.

Following Colombia, Mexico and Jamaica are the major exporters of marihuana to the U. S. Due to the success of the Mexican Government's vigorous eradication campaign, which has been in effect since 1976, Mexico's share of the overall U. S. marihuana market has declined steadily in the past several years. By contrast, Jamaica is becoming a more important source country.

DOMESTIC MARIHUANA PRODUCTION

Drug law enforcement in the United States is facing a new challenge: the cultivation of cannabis within our own

borders.

As enhanced crop control and enforcement efforts aimed at foreign marihuana took hold, U. S. users began to look for other sources. This situation has led to cannabis cultivation for commercial purposes in almost every state. Sinsemilla marihuana, an expensive and generally potent variety first produced domestically in Hawaii and California, is now being grown in other states and is available around the country.

State and local authorities reported to DEA that they destroyed in excess of 2.5 million cannabis plants during the 1982 season. Based on accepted estimates for domestic marihuana production in 1981, it appears that more cannabis was eradicated in 1982 than was previously believed to exist.

Cultivation in the United States appears to be generally unorganized and diverse; growers range from former moonshiners to unemployed lumberjacks, from legitimate farmers to the individual user growing his own supply. Generally, growers produce and sell independently. Certain outlaw motorcycle gangs are involved in the domestic marihuana traffic, but at this time we have not seen a single group in control of a significant part of this market. There have been incidents of violence associated with domestic production between growers and thieves, between growers and law enforcement officers, and against innocent citizens.

ORGANIZED CRIME

Worldwide drug trafficking enterprises have become increasingly organized and sophisticated. Organized crime has found in the illicit drug trade a vehicle for perpetuating and enhancing its wide range of lucrative criminal activities.

In Fiscal Year 1982, DEA arrested 1,337 individuals occupying positions in the drug distribution hierarchy at the very highest levels, including heads of criminal organizations and financiers. This is still a small percentage of the leading figures behind the billions of dollars in retail drug sales in the United States each year. Drug trafficking and the myriad of other crimes associated with it have a devastating effect on our society and economy.

Organized criminal groups are involved across the whole drug trafficking spectrum. They obtain illicit substances overseas, arrange for importation into the United States, and establish elaborate enterprises for cutting the imported drugs and distributing them throughout the country. Drug money is laundered through seemingly legitimate businesses specifically

set up as "fronts" for drug dealers. Profits are reinvested in the drug business much like a legitimate corporate enterprise. Profits from drug trafficking are also being invested in legitimate businesses.

In the United States, there are numerous complex criminal organizations associated with each other in what is variously known as the Mafia, Syndicate, or La Cosa Nostra. These organized crime "families" are bound together by blood, tradition, and philosophy. The popular notion that these traditional organized crime families are not involved in the drug traffic is not true. Many traditional organized crime groups are involved in drug trafficking in one way or another, and many operate extensive, sophisticated, and powerful drug trafficking networks.

The problem of organized crime today is not limited to traditional organized crime. In the past twenty years, we have witnessed the emergence of new organized criminal enterprises dealing not only in drugs, but also in other criminal activities traditionally controlled by the "Syndicate".

Over the past decade, hundreds of chapters of outlaw motorcycle gangs have developed around the United States and in foreign countries. Prison gangs, first established as a

result of associations developed in the California prison system, today operate both inside and outside prison, and are spreading across the country. Other emerging organizations, such as Southeast Asian groups, the violent Colombian groups known as "Cocaine Cowboys", the "Dixie Mafia", and others derive their primary source of revenue from drug trafficking.

The involvement of organized crime with the illegal drug trade is only part of the problem. Organized groups of criminals assault and murder, not only each other, but innocent bystanders as well. Public officials at all levels are being corrupted by drug money. We have reports of rural sheriffs and police officers accepting payments of \$50,000 or more merely to "look the other way" while traffickers make a single landing at a makeshift airstrip. Clearly, the violence and corruption attending the illicit drug business threaten the very foundations of our system of law and order.

UNITED STATES GOVERNMENT STRATEGY

On October 5, 1982, President Reagan released the 1982 Federal Strategy for the Prevention of Drug Abuse and Drug Trafficking. The Strategy sets the tone and direction for the United States Government's overall effort to reduce drug abuse during the coming years. DEA is involved in the drug law enforcement and international aspects of this Federal response, which is also directed at education and prevention, treatment and research.

INTERNATIONAL NARCOTICS CONTROL

In the international forum, the United States Government is developing and implementing a long-range, organized effort to work with drug source nations to eliminate illicit drug production and to interdict drugs in transit. Some specific initiatives of this aspect of the Strategy include:

- o Encouraging and assisting other countries to develop programs to eradicate illicit drugs grown or produced within their borders, and to address their internal drug problems;
- o Exploring with other governments ways to monitor and to impede the substantial cash generated by illicit drug transactions; and

- o Participating in international drug control and enforcement organizations to gain greater cooperation among all nations in which illicit drugs are produced, transmitted, and/or consumed.

At the core of DEA's international activities is support for source country efforts to interdict drugs before they enter international traffic. This strategy has a substantial impact on the drug traffic because the quantities of drugs seized at or near the source are much larger and purer than those seized on the streets of United States cities. Toward meeting this objective, DEA provides technical assistance through training and exchanges of intelligence in cooperative investigations. DEA personnel stationed overseas also work with the State Department and our diplomatic missions in support of host country efforts to eliminate cultivation, production, and conversion of drugs.

DEA has assigned approximately 275 individuals to 62 offices in 41 countries throughout the world. Our country attaches, agents, intelligence analysts, and support personnel oversee, encourage, advise, and assist host countries in the development and implementation of effective measures to control illicit drug crops, reduce illicit cultivation and conversion, and interdict illicit drug shipments at staging areas in-country and along trafficking routes. As a result of

outstanding cooperation between DEA and our host country counterparts, there have been significant advances in coordinated operations with some source and transit countries. This progressive approach to cooperative international narcotics control has given the United States enhanced operational capabilities, and has been invaluable in the investigation of major drug trafficking organizations.

Mr. Chairman, although DEA's first priority in the fight against drug abuse is vigorous law enforcement action, we are firm in our commitment to the United States' international programs, and we are proud of our contributions to the international drug control effort. If you will permit me, I would like to give you and the other members of the Committee a few recent examples of how DEA's international role has assisted in this effort.

Of the three opium producing countries in Southwest Asia, Pakistan is the only country in which DEA maintains a presence. It is also the only country in the region to remain largely unaffected by changes in government during the past four years. DEA enjoys a good relationship with the Pakistan Narcotics Control Board (PNCB) and has assisted the PNCB in the identification of trafficking organizations and the location of heroin processing laboratories. Unfortunately, the tribal area of the Northwest Frontier Provinces (NWFP) of Pakistan, the principal opium growing area of the country, is an area over which the Government of

Pakistan has difficulty exerting influence, and in which narcotics traffickers freely smuggle opium and convert it to heroin. The Government of Pakistan must be extremely cautious in taking any measures that could upset the delicate relationship it maintains with the Pathan tribes of the NWFP. The Soviet presence in Afghanistan has heightened this sensitivity, making it even more difficult for the Government of Pakistan to take steps that might antagonize these fiercely independent tribes. Despite these obstacles, DEA is working vigorously with law enforcement counterparts to eliminate heroin laboratories in this area.

DEA is providing the PNCB with intelligence that has led and will continue to lead to major seizures and the identification and immobilization of heroin conversion laboratories and the major trafficking organizations that operate them. Since 1980, we have assisted the PNCB and Pakistan Customs in providing basic and advanced narcotics enforcement training to more than 750 Pakistan enforcement officials.

The consequences of increased supplies of Southwest Asian heroin are being experienced in several Western European nations as well as the United States. DEA's timely and active support to European nations has helped to contain this problem. The international enforcement community, with DEA participation,

has had significant success in penetrating several drug trafficking networks and disabling heroin conversion laboratories in Italy and Southwest Asia.

In Southeast Asia last year, the Government of Thailand launched several major suppression operations against the Shan United Army (SUA), which controls most of the narcotics activity along the Thai/Burma border. Despite these efforts, opium continues to be plentiful in the area.

DEA is working with Thai authorities to develop intelligence on trafficking organizations operating along the Thai/Burma border to enhance the Thai government's ability to suppress operations and reduce the amount of opium grown and converted into heroin. In addition, DEA personnel in Southeast Asia are supporting our domestic investigations of Thai nationals trafficking in Southeast Asian heroin in Los Angeles and New York.

The diversion of legitimately produced pharmaceuticals from international commerce is a major problem affecting the United States. Methaqualone, a powerful sedative-hypnotic trafficked to the United States from European and Asian sources, had been this country's fastest growing drug problem until a series of diplomatic initiatives were undertaken to limit the manufacture and exportation of methaqualone to meet minimal legitimate medical needs.

Through the efforts of the U. S. diplomatic community supported by DEA's International Diversion Program, Germany, Austria, Hungary, and the People's Republic of China have all agreed to reduce or cease methaqualone production and to place strict controls on its exportation. As a result, seizures of methaqualone between 1981 and 1982 decreased by more than 80 percent and drug injuries have been reduced by 40 percent since 1980.

If we are to have any significant reduction in the availability of illicit drugs in the United States, then we and the governments of other nations must work together to eliminate the cultivation and production of illicit drugs in the source countries where supplies are most heavily concentrated. I believe we must be aware, however, that our government's international drug control activities are long-range diplomatic efforts over which we have limited control, and that the effective elimination of drugs at their foreign sources may be several years off. In the interim, we must accelerate our efforts in those areas over which we do have control -- domestic law enforcement and drug education.

DOMESTIC DRUG LAW ENFORCEMENT

A primary goal of the 1982 Strategy is to bring to bear the full range of Federal, State, and local government resources against drug trafficking organizations in the United States. This goal emphasizes the arrest and conviction of high-level drug traffickers, the forfeiture of their assets, and the removal of drugs from the illicit market. Specific objectives of the domestic drug law enforcement aspect of the Strategy include:

- o Increasing the capabilities of Federal drug law enforcement through improved management, broadened involvement, and enhanced cooperation and coordination among Federal agencies;
- o Improving cooperation and coordination among Federal, State, and local law enforcement agencies, and encouraging state and local efforts to eradicate illicit drug production and cultivation; and
- o Targeting investigative resources on the range of key criminal activities associated with trafficking organizations.

In pursuit of these objectives, a number of initiatives and programs have been undertaken to supplement DEA's ongoing enforcement activities.

In January 1982, the Attorney General assigned the FBI concurrent jurisdiction with DEA over Federal drug investigations and announced that the Administrator of DEA

would function under the general supervision of the Director of the FBI. Both agencies, working together, developed operating guidelines for drug investigations. They provide that DEA continues as the principal Federal drug law enforcement agency responsible for enforcing the Controlled Substances Act, the diversion control program, drug intelligence analysis, and publication of appropriate strategic assessments; and that the FBI continues as the principal Federal investigative agency attacking organized crime.

These guidelines place strong emphasis on major distributors and organizations involved in the manufacture, distribution and financing of illicit controlled substances. High-level conspiracy investigations are the foundation of all joint DEA/FBI investigative efforts.

In granting concurrent jurisdiction to the FBI, the Attorney General added to the nation's drug enforcement law effort the support of 7,700 FBI agents in more than 500 offices around the country. Since the new DEA/FBI alliance was formed, working together, we have more than 450 major joint investigations directed at the upper echelon of the drug trafficking networks.

As part of our joint efforts, we are cross-training DEA and FBI agents to enhance interagency understanding and make each agency's expertise available to the other.

FBI Special Agent accountants bring valuable expertise to the financial aspects of drug investigations. The FBI's network of informants and its investigative expertise in the area of organized crime are all important tools brought into the Federal drug law enforcement partnership.

In addition, we are coordinating utilization of each agency's scientific laboratories to make the special capabilities of each available. Intelligence personnel from both agencies are working together to ensure that all criminal intelligence data bases are searched to provide specific targeting information to agents in the field.

Three other Administration initiatives have addressed forcefully and directly the 1982 Strategy's call for broadened Federal coordination: the Vice President's South Florida Task Force, the Organized Crime Drug Enforcement Task Force Program (OCDETF) and the newly created National Narcotic Border Interdiction System (NNBIS).

In March 1982, President Reagan announced the formation of the South Florida Task Force to address the severe drug trafficking and other related crimes in that part of the country. The Task Force consists of personnel from DEA, U. S. Customs, the Bureau of Alcohol, Tobacco, and Firearms, the Bureau of Immigration and Naturalization, the Depart-

ment of Defense, and the U. S. Coast Guard.

DEA and Customs participate in this program under a Joint Task Group currently consisting of 54 Customs Special Agents and Patrol Officers and 65-70 DEA Special Agents. This group, directed by a DEA Task Force leader and a Customs Deputy Task Force leader, conducts both preliminary and post-drug smuggling investigations, as well as financial investigations throughout the State of Florida. As this Committee is well aware, DEA and Customs have a long history of cooperation both within and beyond South Florida. This cooperation includes the exchange of information at both the Headquarters and field levels, and joint participation in various investigative operations.

As a result of our cooperative effort in South Florida, nearly 1,300 violators have been arrested and seizures totalling more than 780 tons of marihuana and more than 3,000 pounds of cocaine have been made during the 13 months of the initiative's operation.

Another crucially important component of the cooperative Federal effort in South Florida is the implementation of increased military assistance now available under an exception to the posse comitatus statute. This exception permits appropriate use of military resources in interdicting drug shipments. These resources are provided through intelligence and tracking

by military aircraft and vessels of ships or airplanes suspected of carrying drugs to the United States. The contribution of the military has been invaluable in helping to reduce the drug flow into Florida and other states adjoining the Gulf of Mexico and the Caribbean.

To accomplish our initiatives in South Florida, law enforcement resources were shifted from other areas of the country, and drug traffickers began to shift their routes toward those areas. Clearly, a national approach to the drug trafficking situation was needed, and the Administration began drafting new initiatives to address this need.

A third major initiative has recently commenced. Last October, the President announced an eight-point program to combat organized crime and drug trafficking. The Organized Crime Drug Enforcement Task Force Program (OCDETF) established 12 new regional task forces across the country, a Presidential Commission on Organized Crime and Drug Trafficking, and a special Governor's Project to enlist the 50 state governors in a united campaign against drug trafficking and organized crime.

The 12 Task Forces, headquartered in Boston, New York, Baltimore, Atlanta, Houston, St. Louis, Chicago, Detroit, Denver, Los Angeles, San Francisco, and San Diego, operate

under the direction of the Attorney General and also work with state and local law enforcement officials. These Task Forces are utilizing the law enforcement resources of the Federal government including DEA, the FBI, the Internal Revenue Service, ATF, Immigration and Naturalization Service, the U. S. Marshals Service, U. S. Customs, and the Coast Guard. In those regions of the country where it will be effective, Department of Defense tracking and pursuit capabilities are available to support Task Force efforts.

Recognizing the increased involvement of organized crime in drug trafficking, these Task Forces are targeting and pursuing the highest levels of organized criminal enterprises trafficking in drugs. Their focus is on those who direct, supervise, and finance the illicit drug trade, levels of involvement that are appropriate to the Federal role.

The Task Forces complement existing Federal enforcement efforts against drugs and organized crime through the strategic application of additional resources. Last December, the Congress appropriated \$127.5 million for the

Program for the remainder of the fiscal year. This funding permits creation of over 1,100 investigative and prosecutorial positions. For its part, DEA has already committed 270 senior Special Agents to the program and the increased resources are allowing us to restaff their former positions.

This commitment allows us to further an intensive and coordinated campaign against international and domestic drug trafficking and other organized criminal enterprises. We are making full use of financial investigative techniques, including tax law enforcement and forfeiture actions, to identify and convict high-level traffickers and enable the Government to seize assets and profits derived from drug trafficking. Meeting these objectives will also result in the seizure of large quantities of illegal drugs, and the disruption of sophisticated drug trafficking organizations.

Less than two months ago, President Reagan announced the implementation of a fourth major initiative: the formation of the National Narcotics Border Interdiction System (NNBIS). NNBIS is designed to coordinate the work of those Federal agencies with existing responsibilities and capabilities for interdiction of sea-borne, air-borne, and cross-border importation of drugs. This program will complement the work of the regional Organized Crime Drug

Enforcement Task Forces, and, based on lessons learned in South Florida, will expand the interdiction concept to all borders of the country.

NNBIS will monitor suspected smuggling activity and coordinate the various Federal agencies' seizures of contraband and arrests of illegal drug importers. Headed by Vice President Bush, NNBIS will operate under the direction of an Executive Board composed of the Secretaries of State, Treasury, Defense and Transportation, the Attorney General, the Counselor to the President, the Director of Central Intelligence Agency, and the Director of the White House Drug Abuse Policy Office.

Mr. Chairman, I thus far have spoken about four major Federal Government initiatives. I should like also to outline for you some of the more significant ongoing DEA operations and programs that support the objectives of the 1982 Federal Strategy.

DEA has been successful in its efforts to minimize diversion of legitimate controlled substances from the pharmaceutical industry. We continue to maintain a strong cyclic investigation program and other domestic programs.

In recent years, DEA has redoubled its efforts to attack the growing problem of practitioner-level diversion. The Targeted

Registrant Investigation Program (TRIP) was developed in 1980 to direct available investigative resources toward the highest level of practitioner violators. During 1982, DEA initiated more than 300 cases involving willful diversion by practitioners.

The investigation of so-called "stress clinics" and "store front clinics", which act as prescription mills for controlled drugs is a good example of this effort. In the Detroit area alone, we estimate that these clinics distributed between six and seven million dosage units of highly abused drugs over a two year period. Twenty-nine indictments were returned in one case against two physicians, seven pharmacists, and six corporations on a range of charges, including illegal distribution, conspiracy and continuing criminal enterprise.

In addition to its criminal diversion activities, DEA continues to promote the self-policing efforts of the pharmaceutical industry through its diversion prevention efforts. The quantities of controlled drugs prevented from entering the illicit distribution channels by informed and highly-motivated manufacturers and distributor registrants cannot be measured, but the response from industry over the past ten years has been positive and has shown other tangible results. For example, the amount of time required for cyclic investigations has been greatly reduced, allowing more

investigative resources to be channelled into the TRIP program.

Also, DEA has been working with the American Medical Association on a program to aid the states in identifying the nature, magnitude, and source of prescription drug diversion and abuse within their jurisdictions.

Another domestic program important to the 1982 Federal Strategy involves the production of marihuana within our own borders.

In 1982, DEA's Domestic Marihuana Eradication Program was expanded to include 25 states -- 18 more states than participated in the 1981 program. DEA's role in this cooperative venture is to encourage state efforts and to contribute funding, training, and investigative and aerial support to state and local law enforcement agencies engaged in domestic marihuana eradication and suppression.

Last year, DEA provided the states with nearly \$1 million to help defray the expenses of their program. The DEA Airwing flew 481 missions for a total of 1,332 flying hours in support of the eradication effort. By all measures, the Domestic Marihuana Eradication Program was extremely successful. More than two million marihuana plants were eradicated, over 2,500 violators were arrested, and 785 weapons were seized. Operational relationships and procedures have become more established, an intelligence data base has been developed, and an additional 15 states have asked to participate in the 1983 program.

Adequate, timely, and reliable intelligence is important to the entire 1982 Strategy. The El Paso Intelligence Center (EPIC) continues to grow as a full-service intelligence center, providing 24-hour tactical intelligence to Federal and state law enforcement agencies around the country. In the past year, EPIC supported air and maritime operations in the Caribbean - Central America - South America area, serving as the primary clearinghouse for intelligence data.

EPIC's contribution to increased information exchange with the military under the exception to posse comitatus has been invaluable. During 1982, the Internal Revenue Service and the FBI became the eighth and ninth permanent Federal agencies represented at EPIC, and 46 states and two U. S. territories now participate formally in the program or through their membership in multistate regional intelligence networks.

Another domestic program, the DEA/State and Local Task Force Program, has proven itself an effective complement to the Federal drug enforcement effort. These Task Forces increase the effectiveness of State and local drug enforcement activities aimed at the mid-level violator, the link between supplier and consumer. In 1982, the Task Forces continued to elevate the level of cases in which they were involved. The overall conviction rate for Task Force cases ranges from 95 to 98 percent in Federal and state courts.

DEA continues to focus ongoing efforts on financial investigations

involving international money flows and the drug traffickers' assets. These investigations, which involve close cooperation among DEA, Customs, IRS, and the FBI, are generally aimed at isolated violators who direct, control, and profit from the drug traffic. These investigations also target re-investible profits for forfeiture, which contributes significantly to the immobilization of major trafficking organizations. During 1981, DEA, in cooperation with other agencies, was responsible for the seizure of drug related cash and property valued at \$161 million; in 1982, this figure rose to \$188 million.

Mr. Chairman, these are some examples of how DEA has participated in the Administration's strategy for the prevention of drug trafficking. There are a few points I would like to make in conclusion. While DEA's commitment to the international aspect of the drug control effort is firm, I believe we must recognize that controlling the drug problem from source countries is a long-term proposition. For the present, it cannot be our primary solution. The wide-spread availability of drugs and the involvement of organized criminal enterprises dealing in violence and corruption pose real and immediate dangers to our society. For the present, I believe that we must accelerate our efforts toward achieving those elements of the drug control Strategy within our grasp. Our most immediate need is for

continued vigorous pursuit of a strong law enforcement program. Furthermore, we must lend our fullest possible efforts toward the education of our citizens about the hazards of drug use.

I strongly endorse the drug abuse prevention efforts of Mrs. Keagan and the many programs with which she works. I am encouraged, too, that professional associations and parent groups such as Pharmacists Against Drug Abuse and the National Federation of Parents for a Drug Free Youth are actively involved in the national education effort. The continued interest and participation of the various elements of our society, both inside and outside the government, is our strongest weapon against the drug abuse problem.

The President has said that the campaign against drug abuse in the United States is a campaign we cannot afford to lose. Mr. Chairman, I am optimistic that the significant inroads we have made in limiting the availability of illicit drugs in this country will continue, and that we will reach a point where we see broad reductions, not only in the availability of drugs, but also in the demand for them by our citizens. DEA is proud of its role in this campaign and pledges its full dedication to the goals of the Federal Strategy.

Thank you for this opportunity to discuss our role in the implementation of the 1982 Federal Strategy and for your assistance and support.

AFTERNOON SESSION

Mr. RANGEL. The House Select Committee on Narcotics Abuse and Control will resume the hearing. This morning, we began our examination of the law enforcement aspects as related to the Drug Enforcement Administration, and we heard from the lead narcotics enforcement agency.

This afternoon, we will take a review of the Coast Guard role in the strategy of law enforcement, as the Federal agency with primary jurisdiction for maritime law enforcement, the Coast Guard shoulders the major responsibility for interdicting drug smuggling by sea, particularly marihuana.

The challenges confronting the Coast Guard in performing its tasks are enormous. First, the quantities of drugs are staggering. Americans consume, at a minimum, an estimated 9,600 to 13,900 metric tons of marihuana each year. Over 90 percent of this comes from foreign sources, 60 percent being smuggled into the United States being transported by sea.

Second, the Coast Guard's resources are limited. The Coast Guard's responsibility for a number of other important missions, such as search and rescues, fishery enforcement, in addition to their responsibilities in drug interdiction.

Over the past 5 years, the Coast Guard's operating expense budget has increased almost 65 percent in terms of absolute dollars, but the purchasing power of these dollars has remained relatively static.

In 1981, the Coast Guard had to curtail Pacific drug law enforcement patrols by 90 percent because it could not afford to buy fuel. Moreover, many of the Coast Guard vessels and aircraft are old and require extensive and costly maintenance, reducing their availability for enforcement and other missions.

Third, the nature of drug smuggling is constantly changing to avoid law enforcement. Prior to the initiation of the Vice President's South Florida Task Force on Crime, most of the marihuana smuggled into the United States entered Florida through the Caribbean.

As a result of the concentration of Federal resources in south Florida, however, drug smuggling routes are shifting to the Pacific and northward along the Atlantic Coast.

Unlike the Caribbean, there are no natural chokepoints for these new routes that smugglers must pass, thus increasing the difficulty of detecting and intercepting the drug smuggling activity.

We congratulate the Coast Guard for what it has been able to accomplish in the area of narcotics interdiction within the limits of its resources.

I will put the rest of this statement in the record.

[Mr. Rangel's opening statement appears on p. 217.]

Mr. RANGEL. I want to thank you for the cooperation that you have given to this committee, outside of these formal hearings. And as I indicated, Admiral Gracey, that I do hope that we will continue to use those informal formats to exchange information and, of course, you recognize that we have a congressional responsibility to hear public reports as to what you see the problem as, what resources you need, and where we can improve on legislation.

Having said that, we do have your statement, and we hope you will proceed.

TESTIMONY OF ADM. JAMES S. GRACEY, COMMANDANT, U.S. COAST GUARD, ACCOMPANIED BY VICE ADM. BENEDICT L. STABILE, VICE COMMANDANT, U.S. COAST GUARD, AND REAR ADM. NORMAN C. VENZKE, COMMANDER, SECOND COAST GUARD DISTRICT

Admiral GRACEY. Thank you, Mr. Chairman.

I really was hoping you would finish your statement, and then we didn't need—you were right, there wouldn't be much need for us to testify.

Mr. RANGEL. Maybe it would be easier for me to say those things.

Admiral GRACEY. It sounds like you have it all already.

It is a pleasure to be here with you today, Mr. Chairman, to report to you on our efforts, the Coast Guard efforts, in support of the Federal strategy.

I would like to summarize my statement, if I may.

Mr. RANGEL. Without objection, your full statement will appear in the record.

Admiral GRACEY. Thank you, sir.

I have at the table with me today, Mr. Chairman, on my left, Vice Adm. Ben Stabile, who is the Vice Commandant of the Coast Guard; and on my right, Rear Adm. Norman Venzke, who is Chief of the Office of Operations.

As you know, the Federal strategy basically encompasses five interrelated programs, international efforts to stop drugs as close to the sources as possible; domestic law enforcement, including the interdiction of drugs; detoxification treatment, education and prevention, and research.

The Coast Guard's role falls, as you have already said, primarily within the interdiction phase, and is directed at illicit maritime traffic in controlled substances.

Due to our unique multimission resource capability, and broad enforcement authority, the Coast Guard serves as the primary U.S. law enforcement agency at sea. We share enforcement responsibility with the U.S. Customs Service within Customs' waters, and of course, we receive intelligence from the Drug Enforcement Administration, from Customs, from the Department of Defense, and anybody else we can get it from, wherever we are operating.

A look at the Federal drug interdiction efforts shows that each of the involved Federal drug law enforcement agencies seizes many types of controlled substances during the routine course of its operations.

But each agency's particular dedication of resources, in accordance with mission responsibilities, leads to the interdiction of certain specific drugs. Marihuana is a bulk commodity, commonly shipped by sea, and readily detectable during at-sea boardings.

So, the Coast Guard seizes more marihuana intended for importation than any Federal agency.

Interdiction efforts by the United States cannot be focused in one or two agencies, since drug traffickers use all modes of transporta-

tion while transiting areas where perhaps only one, or sometimes many agencies possess jurisdiction.

These traffickers possess a vast number of resources within their many formal or informal crime structures. To combat the problem, the Federal effort is coordinated across departmental and agency lines.

It hits all modes of transportation, strikes at the financial basis of the organizations, and brings to bear much of the national capability, including defense assets, as can be used effectively and legally against the criminal elements.

With regard to our primary area of jurisdiction, the maritime transit zones, in the Atlantic region, most drug traffic originates in the Caribbean, generally along the north coast of Colombia in the vicinity of the Guajira Peninsula.

Historically, as the smuggler sailed north, he passed through one of four channels, or chokepoints, between the Yucatan Peninsula and the Leeward Islands. He then proceeded toward the Bahamas, Florida or the gulf coast.

Some vessels attempt to avoid the law enforcement pressure on Florida by offloading further north along the Mid-Atlantic or New England seacoast. In the Pacific, there are no chokepoints. The enforcement effort depends almost entirely on intelligence and transit zone surveillance, as it does for the Atlantic, north of Florida.

The National Narcotics Intelligence Consumers Committee estimates that about 60 percent of all marihuana smuggled into this country comes by sea. Coast Guard drug enforcement strategy is directed at interdicting larger vessels, mother ships, intending to offload their cargo to smaller vessels once they are adjacent to the U.S. coastline.

One mother ship seizure may remove as much marihuana from the smugglers as would 10 to 20 smaller seizures closer in to shore. In short, we get larger quantities of marihuana for the effort by seizing mother ships, more bang for the buck, if you will.

There is no doubt that the levels of pressure that our at-sea interdiction efforts are applying cause diversion of drug traffic to other routes, other modes of transportation, other supply sources, and other offload points.

For example, Coast Guard patrols in the Atlantic coast area, north of South Carolina have experienced a 169-percent increase in vessels seized. These figures are between calendar year 1981 and 1982. A 169-percent increase in vessels seized, a 452-percent increase in marihuana seized, and a 252-percent increase in persons arrested.

Now, this may well be due to the smugglers' attempt to go around the enforcement effort in the Florida area. It probably also reflects our improved intelligence, better resource utilization, and more experience.

Coast Guard-wide, we are proceeding with efforts to procure off-the-shelf technology which will enhance our mission capability. These items include stabilized optics and night vision devices for our cutters, and forward-looking infrared radar for our aircraft.

We are also improving our efforts by better coordination with the Department of Defense. There are also strong indications that

our increasing pressure has affected materially the overall level of maritime smuggling activity.

During the period from January 1 to March 1, 1982, the Coast Guard seized 53 vessels for narcotic smuggling, and interdicted a total of 697,939 pounds of marihuana. During that same timeframe, in 1983, our forces seized only 15 vessels, carrying a total of 269,000 pounds of marihuana, roughly one-third.

The result of our continuous enforcement presence has been a drop in seizures. I attribute this at least in part to the deterrent effect of having our forces in place. Our intelligence sources confirm that source country shipments are down and that a significant portion of the smuggling community is adopting a wait-and-see attitude as to whether or not we will sustain our efforts over the long run.

There are a number of additional international efforts taking place in this hemisphere which involve the Coast Guard. The Inter-American Maritime Intelligence Network, IAMIN, is in operation, linking the U.S. Coast Guard with the Coast Guard or Navy of the Bahamas, Colombia, Dominican Republic, Ecuador, Haiti, Honduras, Mexico, Panama, and Venezuela.

We are providing assistance to the Lesser Antilles in establishing a communication link between the many island nations to promote interisland cooperation for drug interdiction, among other things.

In November 1981, an agreement was formalized by exchange of notes between the United Kingdom and the United States. Under its terms, the Coast Guard may board in the Gulf of Mexico, the Caribbean Sea, and up to 150 miles off the Atlantic coast of the United States private vessels flying the British flag if we believe the vessel has on board a cargo of drugs for importation into the United States in violation of U.S. laws.

To date, we have made 10 seizures under this agreement. Ongoing discussions with other Caribbean countries will, I hope, produce similar agreements to enhance our operational effectiveness.

In my judgment, it is too early to tell if our efforts have raised the deterrence level to the point where long-term patterns of maritime drug smuggling have changed. However, there is little doubt that our efforts are having an impact.

Drug smugglers are being forced to resort to more devious and complex, and thus more costly, strategies in their attempts to elude us. As we continue to succeed in interdicting more and more of these vessels, and prosecuting their crews, our deterrent effect will increase.

Furthermore, every vessel seized is one less available for this heinous trade; so too with crews jailed. Perhaps some day, maritime drug smuggling will become too risky to be attractive to smugglers. I hope so.

That concludes my summary, Mr. Chairman. I am prepared to answer any questions you would like to ask.

[Admiral Gracey's prepared statement appears on p. 221.]

Mr. RANGEL. Thank you, Admiral.

What percentage of your budget is involved in enforcement of the Drug Code?

Admiral GRACEY. It is about 25 percent, 28 percent, I can't remember the exact figure, Mr. Chairman.

Mr. RANGEL. Just roughly.

Admiral GRACEY. We will provide the exact figure for the record, but it is in that order of magnitude.

Mr. RANGEL. And how many ships do you have for your overall national mission, roughly? I am not trying to pinpoint. I am trying to give you an idea of the thrust of the questions. It is really, you have responded in a better fashion than some other agencies have, and there is no question that the work that you are doing does receive positive publicity, in terms of the seizures.

But because of that, a lot of people lose sight of your broader mission, as opposed to the Drug Enforcement Administration, so I am just trying to get a better handle for the record. And this is especially so since your role has expanded in recent years.

Admiral GRACEY. Mr. Chairman, I appreciate that, and my hesitation to answer was only the matter of fact that my memory for numbers is notoriously bad. The order of magnitude is, for ships and aircraft, is about 250 cutters, about 125 aircraft, and small boats in the order of 2,500, 2,000 or 2,500.

Mr. RANGEL. And what percentage, roughly, what part of that fleet is committed to the interdiction of drugs.

Admiral GRACEY. Well, one thing I need to make clear, Mr. Chairman, is that when I talked earlier about a percentage of our budget devoted to drugs, I am really talking—I can't say that I have got the same percentage of vessels or aircraft, because our resources are all multimission, as you noted earlier, they do all their tasks.

What—we have to say about 25 percent or x percent of their time is devoted to this mission, because they may do any of several missions at the same time. Having said that, I still don't know the number to give you.

Mr. RANGEL. Well, we can get that later.

Why is it we don't hear about your aerial successes in interdiction? Is there a coordination between what your ships are doing out there and your air fleet?

Admiral GRACEY. Our aerial successes? Well, our aerial successes are all reflected, they are almost always reflected in the ships. The way the system works is one can't get the job done without the other. The basic ingredient of a successful interdiction program at sea are, one, you have to find what you are looking for; two, you have to come alongside and go aboard it or stop it and then go aboard; and then, three, if you decide you are going to seize it, you have to bring it back to port.

The aircraft, of course, is very critical in the first part, the finding part. Ships at sea have a very narrow range of detection capability. There is no substitute for aircraft.

And we have to get the aircraft up in the air. You would not—we are aware, and our operational people are aware, when an aircraft spotted a given vessel, and reported it to a ship, and vectored the ship in. We don't keep statistics on that as a general rule.

Mr. RANGEL. Do you intercept aircraft as well?

Admiral GRACEY. If we happen to see one, and are aware that for some reason or other, have intelligence that it is involved in illegal activity. What we would do is probably keep an eye on it, and hand

it off to the—probably Customs or somebody else within the intercept business.

Basically, we are not equipped for air intercept other than that we have a radar like normal radar, and we have our Mach-1, Mod-1 Eyeball, people can see. But we are not—the radar equipment on our aircraft is not aimed at air interdiction.

Mr. RANGEL. You have good information on seizures. How good is your information on convictions?

Admiral GRACEY. It is really very good, Mr. Chairman. And I do know that number.

Mr. RANGEL. What is it?

Admiral GRACEY. We have—I know the number of percentages and the—it is in the back of our data book here—we are arresting about roughly—I think it was about 600 people, and of the numbers arrested, we were getting—well, I am wrong. We had 1,010 people arrested in 1981, 1,131 arrested in 1982, and so far in 1983, 391.

We are getting a very good conviction rate these days on those, Mr. Chairman. We are running about—of those we bring in, about 77 percent of them are going to trial, and of those who go to trial, about 92 to 95 percent are being convicted.

Mr. RANGEL. If you could furnish some information on convictions, unfortunately the Drug Enforcement Administration couldn't, it would be helpful.

Who handles your prosecutions?

Admiral GRACEY. The U.S. Attorney.

What kind of information would you like on convictions, Mr. Chairman?

Mr. RANGEL. Well, the arrests; who was convicted; what time did they get—you know, a lot of policemen are involved in making a lot of arrests, but that doesn't help us too much if the people are still on the street. We would like to be able, and with you, of course, you have your seizures, and I assume with contraband, you don't have the problem of turning that back over, but we would like to know, as a result of those arrests, how many people did we jail?

Admiral GRACEY. I do know that—as I say, of those that we arrest, if you are talking about a year in which there are 1,000 people, at our rate, 770 of them went to trial, and of that, about 650 of them went to jail.

Mr. RANGEL. Well, if that computer could pump out some of the sentences and what we are dealing with and who these people are, it might give the Congress and therefore the Nation a better sense of the enemy with whom you are dealing. I assume most of these people are American citizens, right?

Admiral GRACEY. Not necessarily.

Mr. RANGEL. We don't know. And so, whatever you could supply to us, it would be helpful.

Admiral GRACEY. We will have to go to the Department of Justice to get that information.

Mr. RANGEL. Well, that is good. Maybe you can be more successful than we have been.

Tell me, these agreements that you are talking about with foreign countries as to what cooperation you get with their flagships

or their vessels, who works out these agreements? How would you know that you have an agreement with a foreign country?

Admiral GRACEY. Well, it is a joint effort, Mr. Chairman. We work—of course, any agreement made with a foreign country has to be made through the State Department, and we work very closely with the State Department on that.

Mr. RANGEL. Who do you work with in the State Department?

Admiral GRACEY. Admiral Venzke, I will ask to answer that one, because he is the one that does it most of the time.

Admiral VENZKE. International Narcotics Matters, INM, is one of the groups that we have worked with. But in all of these, when an agreement is worked out, the State Department works with the foreign government, and we have Coast Guard participation, we have people from the commandant's staff who actually work over at State in conjunction with developing these agreements.

So we have first-hand knowledge——

Mr. RANGEL. What individual would you have in the State Department that Admiral Gracey could call and say, "Listen, Mister, we got a ship here, we want to know what the policy is."

Admiral VENZKE. Well, that would depend. It would be a number of officers over there, a number of bureaus that we would work with. Inter-American Affairs——

Mr. RANGEL. But you couldn't tell me who your Coast Guard officers are talking with? I mean, what level do you work with? You are not working with the Secretary of State. Do you have an Assistant Secretary of State or Deputy Secretary?

Admiral GRACEY. First, Mr. Chairman, you should know that I have on my immediate staff a senior-level Foreign Service officer who is detailed to the Coast Guard. And he is called my political advisor, but meaning my international affairs counselor, and he is there for that expressed purpose.

And we work—I have personally worked with—and we also have a Coast Guard liaison officer over at the State Department, but that is to grease the skids. I have worked at the Assistant Secretary level. It depends on the nature of the problem to be resolved.

When you ask the question about there is a specific vessel here and you want to do something about it, are you referring to a case where we might want to seize a foreign vessel; is that the kind of information you are looking for?

Mr. RANGEL. Exactly. The information that I am looking for is that the head of the DEA testified this morning that he thought we should give more priority to drug education and local law enforcement.

Of course, obviously, you are concerned with vessels that are coming from foreign seas into the United States, and I want to know to what degree countries are cooperating and not cooperating with our effort to stop ships that we have reason to believe are laden with drugs.

So I don't know where these ships are coming from. I don't know whether you are getting a hard time when you make inquiries. I don't know what agreements you have.

Admiral GRACEY. I think I can put your mind at ease on that, Mr. Chairman, if I may.

Mr. RANGEL. OK.

Admiral GRACEY. First, let me say I don't think it is an either or situation as far as the education and so forth is concerned.

I think we need to come at this drug problem from all directions. If we can cut out the demand in this country and educate the people in this country as to what absolute foolishness it is that they are involved in, then of course, that will cut down the market, and it will cut down the incentive to smuggle.

And I applaud any effort that will do that.

In the meanwhile, until that is successful, we have got to keep on interdicting.

We have worked out a very successful system of working through the State Department not only on drug seizures, by the way, but fisheries cases, and any law enforcement case at sea involving a foreign-flag vessel.

It is a process by which it takes about, what is average, about 1 hour, norm, 2 hours?

Admiral VENZKE. A couple hours.

Admiral GRACEY. That is starting from the time the message comes in from our ship at sea, works on through the process, and the coordination with the State Department and with the appropriate action desk at the Department of Justice. It is a full-scale coordination of all the people that are involved, and it is a process we have had in place since about 1978.

And it works very well. If the ship claims a foreign flag, then we check with that country to verify the registry, and more often than not, we find out it is false flag, false registry.

Mr. RANGEL. I am sorry, I didn't hear you. More often than not, what?

Admiral GRACEY. We find that it is a false flag.

Mr. RANGEL. I see.

Admiral GRACEY. They claim to be Honduran, and they are not Honduran, Honduras says, "We don't have anybody by that name."

Mr. RANGEL. In that case, you are home free.

Admiral GRACEY. In that case, we declare them stateless, and we take action against them as if they were, in fact, the stateless vessel. If it is verified, then we get the green light from the foreign country to go aboard the ship of their flag, and that is done through our Embassy in that country—

Mr. RANGEL. In other words, you haven't had any problems with any foreign country, that is, where the ship is legitimately flying their flag?

Admiral GRACEY. No, on occasion there will be a glitch of some sort, but really very rare, Mr. Chairman. It is a smooth-working process, we don't have any problem.

Mr. RANGEL. About this new National Narcotic Border Intelligence system, was your outfit a part of creating this NNBIS?

Admiral GRACEY. I am sorry, was I aware—were we a part of—was the Coast Guard a part of that, sir? We have been ever since it was announced, yes.

Mr. RANGEL. You have answered me. I don't want to get you any deeper involved in it, because I was going to ask you questions about what went into the planning. Obviously, you wouldn't be in a position to answer that.

Admiral GRACEY. Well, I think probably I have created the wrong impression by the answer. I wasn't trying to be cute. The exact nature of what the system was going to be was evolved within other levels of the executive branch than where we were.

But it was clear that we needed to have—that the executive branch needed to have some form of coordinating and working together in areas outside of Florida. And that has been in the discussion stage back and forth for a long time.

There have been suggestions of the drugs are our idea, and the whole thing. And we participated. I have spoken my view, and my view has been solicited, and all the way through. The exact nature of what the President was going to announce at the time he announced it, I did not know in advance.

But that—

Mr. RANGEL. Are you satisfied that this concept would improve the interdiction capability of all of the agencies involved?

Admiral GRACEY. I am satisfied—yes, I am satisfied that it is the only way that makes sense to expand the interdiction effort as a complement to the—do you understand the—excuse me. The NNBIS is an interdiction effort. And it is complementary to the drug task forces, which are primarily investigative. This is as I understand it, and as to why I applauded it, it seems a good way to keep the pressure on those who are bringing the stuff in at the same time we are trying to work to eliminate the reason to bring it in, and the magnets that are drawing it in.

Mr. RANGEL. Is it too early now for us to ask you questions about the effectiveness of this interdiction as it relates to improving your capability in the work that you have been doing?

Admiral GRACEY. Oh, it is much too early, Mr. Chairman. They are still trying to work out the formative stages of just exactly what approach will finally be used.

Mr. RANGEL. Well, we are going to be relying heavily on you to report to this committee as to how this is working, and the cooperation in which the Coast Guard is receiving.

Admiral GRACEY. I have no doubt that we will receive excellent cooperation. We always have, Mr. Chairman.

Mr. RANGEL. And as it relates to the number of ships that you have available designated for this type of law enforcement work in narcotics, do you have any problem with the number of ships that you have, and the manpower to man those ships at this point?

Admiral GRACEY. Well, I would be less than honest if I said that we have everything we need to do, all the folks would like to have us do, we don't. To the extent that we are—for the hardware we have, and the nature of the job as it now stands, we are able to hang in there all right.

But there is no way that we could mount a similar effort to the Florida effort around the countryside with the resources we have. So I think that is patently obvious.

But, you know, one never has enough. People say to me, "Do you have enough?" And I always say, "To do what?" One, you have to define the rules. You have done that in saying, well, OK, here is the drug problem, have you got enough to handle it? It depends on how we are going to go about it, and the approach we want to take.

We have a lot of new capability coming on the line. Over the last several years, we have been operating, we have been in a void between aircraft types. All our old HU-16, medium-range search aircraft died of old age, and our new jet aircraft were not on the scene yet, so we have gone, and we were in a lull. So they are all coming on. We have got new helicopters coming on. We have got a new fleet of 13 medium endurance cutters coming on to replace some of those that are 45 years old that are operating, and we are going after some new sensors, so that we can work smarter, not harder, nor only harder, but smarter as well.

And we have got some rather interesting ideas about intelligence, and we are working, building up our intelligence capabilities, and our communications capabilities, so I think that over the next few years, our capabilities are going to go up rather large.

Mr. RANGEL. Why would it take so long for you to be able to get a force out there that you would believe would be substantial? Why would it take so many years?

Admiral GRACEY. Well, the procurement process itself is—the Government procurement process, especially if you are building something the size of a ship or an airplane, is a very long and involved process, and I don't think we could get—if you were to give us the green light today, or whoever would have authority to do that were to say, "Blessings on thee, James, go forth, and buy whatever you want, and get going, but live by the rules," I would not be able to have a ship running probably for 4 years, 3 years maybe at best.

It would take about a year to get the contract out, and then about 2 years to build it.

Mr. RANGEL. Okay, do us a favor, and try to give us some type of a graph or timetable as to what is in the pipeline, at what point or what year you believe you would be picking up certain things, and then try to find some language as to how this would increase your capability to protect our shores against narcotics, and where you find it difficult to say what the return will be if we attempted to add more.

I agree with you, that my question, do you have enough, means enough to do what, but at some point, I would hope that the DEA has asked you what is it that you think that you could do to make your contribution to keep drugs out of the United States, and at that point, I would want a copy of something similar to that.

It doesn't mean that they are going to ask for the money to do it, or that the Congress would provide it, but it would help us, when you give reports as to what you are able to interdict, and what you are unable to do that we would know that we were involved in that process.

Admiral GRACEY. I think I may have misled you a bit in my answer, Mr. Chairman. It is possible for us to get resources on line quicker than that. I was talking about what it would take if we went out and built the fleet, bought a fleet and so forth.

Obviously—

Mr. RANGEL. No, no, no. I am not talking about starting from the beginning of the Coast Guard. I am talking about where you are now, what is ordered, and what does it look like? That you will have the type of fleet out there that can do—

Admiral GRACEY. We have the type out there, Mr. Chairman, but we don't have it in the numbers necessary to extend the type of strategy we are using in Florida, all over our 50,000 miles of coastland. I am convinced—we don't have—it isn't a straight-line relationship. As we found when we went after enforcing fish, we didn't need to run a picket line around our entire 200-mile zone, we just went where the fishermen were, because that was where the fish were.

And we would do the same kind of thing in a drug strategy. We have worked out a plan that would have been able to let us get a major effort under way in 1 year, 1½ years, and it involved a variety of efforts, and it has been proposed within the executive branch, and it is currently undergoing modification. We did this about a year ago, or last summer.

Mr. RANGEL. Well, we would like to have a copy of it, and see what is and what is not being implemented.

Admiral GRACEY. Parts of it are being implemented already, the parts that didn't cost an excessive amount of money, and the parts—and some of it was built into our 1984 budget, and some of it still is being changed because the winds of war have changed.

Mr. RANGEL. Well, did you have to give away half of your ships to Vietnam? I mean, to South Vietnam?

Admiral GRACEY. We left some high-endurance cutters, yes, sir, back in 1960—something, yes.

Mr. RANGEL. Is that included as a part of your regular fleet, or did you just write those off?

Admiral GRACEY. No, no. Those were mostly patrol boats, and two high-endurance cutters, and they were old ones. At the time that happened, Mr. Chairman, we had gone out of business in the ocean station vessel program. That is the old weather ship program. The drug smuggling was not on the forefront.

Mr. RANGEL. Do we have those ships back?

Admiral GRACEY. No, sir.

Mr. RANGEL. We know what you are doing, we are proud of the work that you are doing, we want more done, we don't know whether you have the capability to do it, if we were able to get more resources for you, we don't know whether you can improve on what you are doing, but we have to rely on the information you give to us.

So, if somebody in the administration at some point had asked you what would you like to get to do a better job, what will that game plan be, how many ships would it take, and it has nothing to do with whether we can get them for you, we would like to know what you have, what you have given away, what we can get back, what is available, what is the timeframe.

It is important that the record be made straight as to whether or not it would take 3 or 4 years for the Coast Guard to be able to do a more effective job.

Admiral GRACEY. No, it won't, Mr. Chairman. We are doing a more effective job now than we did last year.

Mr. RANGEL. Of course you are.

Admiral GRACEY. And we will be doing a more effective job 2 years from now, because we have this new hardware coming on the line that has been invested in for the last 2 or 3 years. That was

the point I am making. This is all coming on the line, and so we are in an improvement mode right now.

All those old airplanes I talk about are, they are gone. The last of our new jet fleet is arriving in the 1984 budget. We have got some 30 of them now, where the last 8, I think, or around 41, are arriving next year.

We are upgrading our C-130 fleet with some newer aircraft; we are putting more sensors in there; we have got a fleet of surface effect ships that are operating, a division of them, they are operating out of Key West now. We have a contract that is meeting this afternoon I think it is, a preaward contract conference on eight new patrol boats. The 270-foot cutter, the first one is operating now.

So, there is a lot of progress. I would like to make clear, though, that we don't want those ships back from South Vietnam or wherever they went. And we don't want them. We have got all the old ones we can handle.

Mr. RANGEL. Why don't you write them off, so that we don't charge them to you?

Admiral GRACEY. Sir? I'm sorry.

Mr. RANGEL. Why don't you write them off?

Admiral GRACEY. They are written off.

Mr. RANGEL. They are not included in your fleet?

Admiral GRACEY. No, no, no. They were written off a long time ago. The 82-footers that we gave them were all replaced with new ones.

Mr. RANGEL. Very good. We had some bad information, then.

Mr. Oxley?

Mr. OXLEY. I would be glad to yield to Mr. Gilman, the ranking member, if he has questions.

Mr. GILMAN. No, thank you.

Mr. OXLEY. Admiral, I had an opportunity during a visit to Key West a few months ago to witness the commissioning of two new cutters. And I know you mentioned the cutters as part of your modernization.

I was wondering what your experience has been since the new cutters have been in the water, and how effective they have been in the interdiction process?

Admiral GRACEY. Our experience has been very good with them, Mr. Oxley, and I can't tell you numbers of how many seizures they have made, but they have made some, and there are some minor vibration problems that we are trying to work out to go with that kind of a hull, I understand.

Mr. OXLEY. Would you explain that kind of a hull, because I thought that was interesting when I had an opportunity to see the ships and actually be on them. As I understand it, they are—a concave hull, almost an outrigger kind of a—that is not the term I want—

Admiral GRACEY. Catamaran.

Mr. OXLEY. Catamaran; that is correct. I am wondering if you could tell the committee a little more about that and how it works. Because, as it was explained to me, they can go about 40 knots in rough seas fairly easily, making them very effective vessels, for that kind of activity.

Admiral GRACEY. Mr. Oxley, I picked my Vice Commandant with great care because he is a former—he is no such thing—he is an engineer by trade, as well as a Coast Guard officer and a sailor, and he knows the exact answer to your question. May I hand it to him?

Admiral STABILE. It sounds like I have been set up.

The SES's are 110-foot Bell-Halter-manufactured aluminum hull catamarans that ride on an air bubble. They actually, the two hulls—it is not like a hover craft, they actually displace water, and you have conventional propellers and diesel engines on it.

The 40-knot figure in rough seas is an upper limit which is achievable under certain load conditions. SES's tend to be rather sensitive, both for endurance and speed, to the way you load them.

I wouldn't be willing to advertise that they can do 40 knots, but it is theoretically possible.

Mr. OXLEY. The fact is, this is a pretty fast vessel; is it not?

Admiral STABILE. Yes, it is, and they are very effective. We are very much interested in that generic class of what we call a high-performance craft, as well as others, and the Navy has built a 160-foot version of that. They have taken a 110, and added 50 feet in the middle to increase the endurance of the craft and so far, we have been working with the Navy, and we found that the endurance has indeed increased significantly, with some operational time we will find out how they ride in seaways and what not.

They are a very promising class of vessels.

Mr. OXLEY. How many of that type do you have in the water, and how many more do you have on line?

Admiral STABILE. We have two in the water, and one under construction which will be delivered next year.

Mr. OXLEY. So those were the first two, then, that we witnessed?

Admiral STABILE. Yes.

Mr. OXLEY. I see.

Admiral, how does the interdiction process work, particularly in terms of the ability to stop any particular vessel? Do you have to have probable cause, for example, as we would on land? You couldn't have a police officer stop somebody for any—how does that work in the practical, everyday world trying to interdict drug flow?

Admiral GRACEY. We do not have to have probable cause for U.S. vessels in U.S. waters. For foreign vessels—

Mr. OXLEY. That is what I mean, I am sorry, for foreign vessels.

Admiral GRACEY. For foreign vessels, we do have to have probable cause. Let me ask Admiral Venzke to explain how that works, sir.

Mr. OXLEY. Fine.

Admiral VENZKE. In the case of foreign vessels, one of our units will detect a suspicious vessel. And there are ways we can detect it. Certain profile, their actions might give away the fact that they are now suspected of carrying narcotics.

Mr. OXLEY. I understand a lot of the vessels that I saw down there were fishing vessels that were used for the drug trade.

Admiral VENZKE. That is true. A lot of the vessels are fishing vessels.

Mr. OXLEY. But they have never caught a fish.

Admiral VENZKE. Well, they haven't fished recently, and there are ways you can tell by looking at a vessel whether or not he is actually fishing or using the boat for some other reason. You see a fishing vessel, and it is deep in the water and in an area where you don't see other fishing vessels. There is reason to be suspicious.

Sometimes you can smell the marihuana when you get downwind.

Mr. OXLEY. Is that in itself cause to stop and probe, or do you need something more than that?

Admiral VENZKE. You have to remember, it is a foreign vessel——

Mr. OXLEY. Foreign vessel.

Admiral VENZKE. On the high seas, we don't have jurisdiction. The ship's commanding officer will come in to the operational commander, and he will come up, pass word up here to Washington. Then we have a Presidential Directive 27 procedures for handling nonmilitary operations affecting foreign vessels.

And we will have a conference call between State, Justice, Coast Guard, DEA, and Customs.

Mr. OXLEY. That happens in every——

Admiral VENZKE. Every case. No matter what time of day or night, we respond just like that. Then if it looks like it is a valid case, State will go to the foreign government and ask for—to verify whether or not that vessel is under their registry, and if so, request permission to board and search and seize if they find any contraband and prosecute under either U.S. law or under the laws of that country.

That is a case then, our ship can put a boarding party on board, and carry out the law enforcement act.

Mr. OXLEY. What about a situation where the foreign vessel is inside our waters? Do you just treat it as if it were a national ship in our waters?

Admiral VENZKE. Well, to a point. Obviously, we have jurisdiction, and we can go ahead and board and search, but we still have to go through the PD-27 procedure, because it does involve a foreign-flag vessel.

Of course, it is a much-simplified procedure there. We don't have to go to the foreign government in that case.

Mr. OXLEY. What happens after that? Let's say that you interdict an alleged fishing boat, and it turns out to have a bunch of marihuana in the hull. And the crew are Colombian nationals. What happens after that?

Admiral VENZKE. We seize the vessel, and we will tow it into port, or steam it into port, if the vessel is operative. We will turn the vessel over to Customs. We will turn the crew over to INS for prosecution under U.S. law. It depends on the circumstances. The cargo will be turned over to DEA for destruction.

And then, what happens—the vessel is laid up. Now, if we are seizing the vessel, and taking action in the name of the foreign government, then it is a slightly different procedure. The foreign government probably will get the ship back if they made necessary arrangements, and we would handle the crew somewhat differently.

Mr. OXLEY. How many foreign nationals normally are on an average boat like that?

Admiral VENZKE. Well, it is hard to say, 8 or 10. These are usually very small vessels.

Mr. OXLEY. And then, assuming that all these people are participants in this smuggling operation, don't some of them simply get sent back to their home country after processing?

Don't they just deport them, if you will?

Admiral VENZKE. It depends on the circumstances. In some cases, that does happen. In other cases, where we have the jurisdiction, or we are acting under U.S. law, they go to trial.

Mr. OXLEY. I see.

Admiral GRACEY. It is harder sometimes to get convictions sometimes on some of the crewmen where, because it is particularly difficult to prove that they were implicated, or they had a direct involvement other than operating the ship in the intent to smuggle. So we do lose some of those in the court process.

But most of them will go to trial.

Mr. OXLEY. Mr. Chairman, we talked to people down there who should know, who are indicating that the captain of each vessel, should he successfully be able to bring a load of marihuana aboard into this country, could stand to make about \$150,000 in American cash, and just about every crewman could make \$50,000.

That, at least for me, was very instructive, in trying to figure out the overall problem that you have and that all of us have in dealing with it, because of the incredible amounts of cash to be made in these operations.

And indeed, at least at this point, it appears that the chance of punishment is low, and the rewards very high. And of course when that is the case, why, crime will very much take the upper hand.

I think that if I had learned nothing but that in the trip to Key West, it was certainly worth it, and we wish you the best of success in your efforts in the interdiction process. It is an ongoing and difficult process.

I wonder if I could just simply ask one more question, Mr. Chairman, then I will turn it back.

The head of the DEA this morning, Mr. Mullen, talked at length about the El Paso Intelligence Center. To what extent do you use the intelligence from El Paso, and is it effective in your efforts?

Admiral GRACEY. We use it very extensively, Mr. Oxley, and we also feed intelligence into the center. It is a joint cooperative effort. We have people assigned down there that are massaging data, and helping to run the place, as well as do all the agencies involved.

Mr. OXLEY. You mean Coast Guard has a presence there in El Paso?

Admiral GRACEY. Yes, sir. We have six or seven—we have some people there, I don't remember the number. But it is a small staff contributing to the work in coordinating, being a liaison to make sure that our information gets in and what we need comes out.

It is generally effective. There are some limitations on the kinds of intelligence that we can run in there, and that they can provide, just because of the nature of the place, and who it feeds. Some of the direct operational type intelligence, we feel, what ship needs to go where, when, at what time, as opposed to what information is available as to what is out there we are looking for.

Our operational intelligence needs to be handled a little differently, so we work the two of those in a cooperative basis.

Mr. OXLEY. Thank you, Mr. Chairman.

Mr. RANGEL. Mr. Gilman?

Mr. GILMAN. Thank you, Mr. Chairman. I want to welcome our Admirals in the Coast Guard to the hearings, and it is good to see you here once again. I want to commend the Coast Guard for all the good work you have been doing in interdicting the narcotics trafficking coming toward our coastline.

In the summary of the equipment availability that was prepared by U.S. Department of Transportation, on average benefit-hours for all cutters, I was amazed to see that in 60 percent of the time, half was spent in maintenance and half in standby, leaving very little actual time of availability. Out of that time, I guess very little of that can be devoted to narcotics efforts. About, I guess, a little less than 10 percent, if I am not mistaken. Is that correct, of all your cutters, that—

Admiral GRACEY. Could you—

Mr. GILMAN. I am looking at a U.S. Department of Transportation 1982 Coast Guard Rules Admissions Report, March 1982.

It shows that average benefit-hours for all cutters, fiscal year 1981, was 34.5 percent in maintenance, and about 25.1 percent in standby, leaving some time for enforcement of laws and treaties, about 8 percent of their time.

Admiral GRACEY. First of all, that is based on information which is a little old. It is fiscal year 1981. We have done a number of things to change the picture since then. We have tried to figure on the operation of out cutters, we don't aim to have those cutters operating away from home port.

We aim to have them operating away from home port 185 days a year. At the outset, that is 50 percent. The reason for that is that we need time for maintenance; you need time for training crews; you need time for the crews to be home with their families, and so forth.

We found that a standard of 185 is what we have been shooting for, unless we can get an augmented crew, say, 1.5 crews per ship, or something like that, and then we can run the hardware longer.

So we are down at that level to start with. Then we go out and, as I said earlier to the chairman, the time that you see here is not numbers of days on that effort, it is the amount of time spent while underway, that happened to wind up on law enforcement effort. They may head out for—a cutter may head for the Caribbean on a law enforcement patrol. At the time these figures were being gathered, if they got diverted to a major search and rescue case, we would say—let's say they were going on a 30-day patrol, and it took 20 days on the search and rescue case, then you would only wind up with 10 days on law enforcement, and the other 20 would be on search and rescue.

And yet they set out for that patrol. We are now changing our way of putting down our statistics a little differently so that it comes out—the problem with statistics is you got to decide what it is you want to do with them, and what is it you are trying to convey.

Mr. GILMAN. Roughly, how would 1982 compare to 1981?

Admiral GRACEY. Well, 1982, our cutter time on the east coast, their underway time, the major cutters' underway time is almost entirely on law enforcement. Either Haitian, immigrant migrant patrol, or drug-law enforcement. They do have time on refresher training with the Navy and some fleet exercises. But the primary effort is that way.

Now, on the west coast, the high-endurance cutters' primary time is spent on fisheries patrol in Alaska.

Mr. GILMAN. Well, assuming that is starting with the same percent in 1981, what would you say enforcement of laws and treaties time would be in 1982?

Admiral GRACEY. I would have to provide that for the record, Mr. Gilman. I don't know what the record is.

Mr. GILMAN. Would it be in that range somewhere?

Admiral GRACEY. This is all cutters, now, you understand. This phase. If I am looking at the same one you are.

Mr. GILMAN. Yes.

Admiral GRACEY. But, do you see up here in the right? That includes our aids to navigation, the ships that are primarily working as aids to navigation, those are the smaller cutters that work primarily on search and rescue. So, I have been talking to you in terms of high endurance cutters and medium endurance cutters, which are the ones that have the legs to go out there and stay out.

Our medium-endurance cutters can operate about 2 to 3 weeks underway. The high-endurance cutters can go out for 2 months, and stay out. And that basically is the way we schedule. And then they come in and stay in for a while.

So what that 8 percent is, is that it is 8 percent of all cutter time in the Coast Guard. If you want to talk about high-endurance cutters and medium-endurance cutters, I would have to dig up the number, but it is going to be different from that.

Mr. GILMAN. All right, would you then submit a report for us?

I note that in that same diagram, the utilization of Coast Guard capital equipment refers to some average benefit-hours for all aircraft, and the enforcement availability of aircraft for enforcement of laws and treaties is down at 2.7 percent, with a 33-percent maintenance, 33.5-percent maintenance period, and a standby of 29.9 percent, or a total of 63.4 percent when that aircraft isn't available to anyone.

They say that standby is a time when an aircraft is not in maintenance, but is unable to fly a mission on short notice, because no crew is available. So let me ask you this, Admiral:

Based on this, if this is somewhat of a guideline, it may not be fully accurate. It seems to me that the time available for your cutters and for your aircraft is minimal, I am wondering what we can do to make more equipment available for the interdiction effort?

Admiral GRACEY. Well, I have to confess that I am dazzled by these numbers, Mr. Gilman. I don't think I fully understand them. I do understand this, though, that if you, a person who works a normal 48-hour week, 5 days a week, 50 weeks a year, only works some 20-some percent of the year, and all of us, in a normal working day, are only working 20 percent of the year.

So, a vessel that is under way x number of—

Mr. GILMAN. You are not referring to Congressmen, of course?

Admiral GRACEY. No, I know that you all—you probably work a schedule almost like mine, which is more like 20 hours a day. But—that is true, isn't it, Mr. Gilman?

Mr. GILMAN. I wouldn't want to give you my hours.

Admiral GRACEY. All I am really trying to say is the game of statistics is tricky when we start talking about this, and I think that there was something trying to be proved with this sheet that is not helpful to our deliberations, and I just don't know the numbers, and it is better if I go back and get the answers accurately for you and provide them for the record.

Mr. GILMAN. Well, I think the main point of all of this is while we have a lot of ships out there, and a lot of men, their availability for the law enforcement effort is somewhat limited, when you consider maintenance, standby time, your search and rescue time, and your aid to navigation time. I would assume that you are probably down into some lower percentage of your daily time.

Admiral GRACEY. You see, the way it works, Mr. Gilman, a vessel out tending buoys may very well make a drug bust. But he didn't sail for a drug bust, and he is not scheduled for law enforcement patrol, and that is kind of the way it works out.

That is why I am dazzled by this 2 percent or 8 percent or whatever it is, that has got to be dedicated time. I really don't know where the figure came from.

Mr. GILMAN. I am not pointing this out to be critical, but what I think maybe we all ought to look at is that when we see a whole fleet of equipment and some aircraft standing on the line, we have to recognize that there is a very limited amount of time that is devoted to law enforcement effort. I guess when we consider some budgetary needs and equipment and manpower needs, we had better consider the fact that whatever is out there isn't fully available for law enforcement certainly.

Am I correct in that general assessment?

Admiral GRACEY. Yes. That is true. I do want to correct the thought—and I thank you for making that point. I don't want the record to show that we have lots of ships and airplanes standing on the line waiting to do something, because we do have lots of them, but your point is they are there, but they are not all there full time for law enforcement, they have got other things to do besides.

Mr. GILMAN. And an extremely limited amount of time for law enforcement, when we consider all your other duties and the fact you have to spend a lot of time in maintenance for equipment.

Tell me, why is there such a limited amount of time available for flying a mission? When an aircraft is in the standby position, they show that about 30 percent of time in standby because a crew isn't available.

Admiral GRACEY. Well, that is a case of letting—if we have got an air station that has one aircraft in what we call a bravo zero status, meaning ready to go, right now, then the other aircraft at that station, there is no crew there. They are not there standing by to fly that airplane right then.

They are on call and can be brought in to fly the backup airplane. During the day, when they are all working, they are there. That, I think, refers to that sort of a situation. The definition that appears on that chart leads me to that.

The vessel, or aircraft that are on standby are, depending on the level of standby, will have a crew available and ready to go, or it will be ready to go in x number of hours. And the reason we do that is that if we were to have all those aircraft ready to go right now, all the time, we would have to have about five times as many people out there as we have got.

And a lot of them would spend a lot of time standing around waiting to fly something or we would be out boring holes in the sky, and we were a little reluctant to do that in the absence of good intelligence or some reason to believe that boring the hole will be effective.

Mr. GILMAN. All right, I think it is important that our committee recognize these limitations. Can you tell me what active role you played in the preparation of the new Federal strategy for prevention of drug abuse? Were you personally consulted, Admiral, to help develop new strategy in overall planning?

Admiral GRACEY. Well, I am a member of Dr. Turner's oversight working group, and we, the Coast Guard, provided some initial input, and we were involved in the review process, and we commented as we went along, in the development, yes.

Mr. GILMAN. You feel you had a direct input in the development of the strategy, then?

Admiral GRACEY. Yes, sir.

Mr. GILMAN. And are you consulted from time to time about revision of strategy and policy?

Admiral GRACEY. We meet once a month. I sit on Dr. Turner's oversight working group, and either I or Admiral Stabile attend the meetings once a month to discuss strategy and developments, and so forth.

Mr. GILMAN. And if you have a recommendation on new strategy, narcotics strategy, is there responsiveness? Does it happen quickly if it is a worthwhile suggestion?

Admiral GRACEY. Nothing happens very quickly in the Government, Mr. Gilman, you know that.

Mr. GILMAN. I think we have come to recognize that.

Admiral GRACEY. Yes. If it is an idea on a different operational tactic that has merit, we pretty much have a free hand to do that, it is recognized. Some things, for other reasons, for a broader strategic reason, are rejected or suggested that we wait a while.

I was, as a matter of fact, consulted at noon today on a matter that is going to be coming up soon, and my view was sought, and it is going to be a matter of further discussion tomorrow.

Mr. GILMAN. I am pleased to hear—

Admiral GRACEY. It is an ongoing thing.

Mr. GILMAN. I am pleased to hear that you have a direct voice in this, and you feel that you do have sufficient opportunity to have input and make some worthwhile suggestions and changes?

Admiral GRACEY. Yes; I do. And I have the sense, and I think Admiral Stabile—I won't put words in his mouth—but I just know from talking to him that he agrees with me that our opinions are respected, all of our Coast Guard opinions are respected and are sought.

So we feel very much a part of the ball team.

Mr. GILMAN. I would like to ask you about the law that our committee helped to pass, and I helped to adopt. It was Public Law 96-350, enacted in September 1980. That was intended to enhance the Coast Guard's enforcement of the drug laws on the high seas.

How well has that law been working on vessel seizures and drug seizures and arrests and convictions? Do you recommend any changes in that?

Admiral GRACEY. It has worked very well, Mr. Gilman. It has upped our success rate, if you will. We are now up to about 77 percent of the people we arrest are going to trial, and about 92 percent of them are being convicted, whereas before that law, it was 64 percent and 45 percent, so it has been a big help.

There are some changes that we would—there are two changes that we would recommend. One has to do with increasing the penalties for large-scale traffickers. Public Law 96-359 did do that, but it applied only within U.S. territory. And, of course, that doesn't help us much because most of our seizures are well outside U.S. territory, and we think it would be a very substantial additional deterrence, that if those substantially greater penalties were for trafficking, large trafficking, could be expanded to cover seizure actions outside our waters.

Second, is the question of stateless vessels. Right now, the burden of proof—if we have got a vessel that is stateless, or claims to have one registry and turns out to have another one, so we assume it to be stateless, the burden of proof is on us when we go to court. It is no problem while we are in the seizure process.

We say, "Hey, the flag doesn't match. You over there in the Embassy talked to other fellow's Embassy," and he comes back and says, "We don't know anybody by that name," so that is easy, we say, "OK, we assimilate you to be stateless, come with us."

But then, when it gets to court, the burden of proof is on us, or on the Government. We must produce certification that we went through the whole record check, and that means that we have to go to the other countries, and we have to get all the documentation, and the whole thing.

International standards, I understand it, for this sort of thing, usually require that if a country claims—if a ship claims registry of a given country, he has got to show affirmative documentation right on the spot, or he doesn't make it, he is just automatically assumed to be not there, that is, not of that flag, and he would be assumed to be stateless.

And we think that that kind of requirement in court: Prove it. Prove you were a registrar of that country, and that the Government was wrong in assimilating you to be stateless. Put the burden of proof on the other fellow, on the guy who makes the claim. That would—I am giving you this in nonlawyer language, but as I understand it, that is what we are after, and that would really simplify—it would cut down the false registry claims, and it would increase the conviction rate, I think, on some of these—

Mr. RANGEL. Will the gentleman yield?

Mr. GILMAN. I would be pleased to yield to the Chairman.

Mr. RANGEL. Who is the defendant in these cases? Who claims ownership, I mean, are they foreigners, or—

Admiral GRACEY. Well, it is the—

Mr. RANGEL. Who is in court?

Admiral GRACEY. The captain of the vessel, as I understand it. Who can help? The master of the vessel is the person.

Mr. RANGEL. Are you talking about foreigners?

Admiral GRACEY. Yes, sir.

Mr. RANGEL. But it is our law that prevails, right? So you are saying that our law has the burden of proof?

Admiral GRACEY. The current law——

Mr. RANGEL. Us?

Admiral GRACEY. Yes. The burden of proof is on the prosecution to prove a lack of a legitimate registry. So, this means you have to go to all the different governments, and you have got to get certifications, and you have got to get a lot of documentation.

Mr. RANGEL. These are ships that have had contraband on them, that we have to prove that the ships were not flagships of foreign countries?

Admiral GRACEY. They claim that they had, let's say, a Panamanian registry, and Panama says, "There is no ship by that name, they are not Panamanian." OK. The proof—that is fine for the seizure process. But we have to prove now that they were, in fact, not Panamanian. We feel that they should have to prove that they are Panamanian.

Mr. RANGEL. We will look into that, and you send us some more information as to the cases that you lost as a result of your inability to carry the burden.

Mr. GILMAN. What is the impact——

Admiral GRACEY. Excuse me, Mr. Gilman, it isn't—partly, it is losing the case; partly, it is just dragging it out, and making it long and very complex.

Mr. RANGEL. We will look at that among the recommendations.

Mr. GILMAN. And we welcome the recommendation.

What impact does it have on the ship, the fact that it is stateless, what impact does that have?

Admiral GRACEY. If it is stateless, you see, we can treat it as we would a U.S. vessel on the high seas. If it is a stateless vessel, then we are—it is subject to U.S. law. We can treat it just as if it were a U.S. flag vessel.

Mr. GILMAN. And if it is a foreign flag ship, then you have to apply the law of the foreign flag?

Admiral GRACEY. If it is a foreign flag vessel, we go through and get permission of the flag state to board.

Mr. GILMAN. And if they don't give permission?

Admiral GRACEY. Then we don't do it. Not on the high seas. That is not really a very major problem.

Mr. GILMAN. Now, when you are into court, though, and you are proving that it is stateless and it is found to be a foreign flag ship, then what happens? How does that affect the case? Is there any impact then on the case?

Admiral GRACEY. We assimilated it to be stateless, and then when we get into court, we found out that it was, in fact, a foreign flagship. Frankly, I don't ever remember any, and neither does Admiral Venzke, and I don't know what would happen. Admiral Stabile's version is it would be a mess. I don't really—we don't know

the answer to your question, obviously, Mr. Gilman, because we have never been faced with it.

Mr. GILMAN. Now, all of these vessels are subject to seizure, are they not?

Admiral GRACEY. The foreign vessel on the high seas, flying for a legitimate foreign flag, where the home flag state will not accede to boarding—

Mr. GILMAN. If they do accede to boarding, and you find narcotics, then the ship is subject to seizure?

Admiral GRACEY. Yes, and usually for prosecution under the flag state laws.

Admiral VENZKE. Yes, sir, or if there is an indication it is going to be under the aegis—it is going to be coming into the United States, or it is an unlawful act, and they are subject to prosecution under U.S. law.

Mr. GILMAN. All right. Now, what happens to the vessel itself?

Admiral VENZKE. If it comes under our jurisdiction? The vessel is seized.

Admiral GRACEY. After it is seized, it gets returned to the flag state.

Admiral VENZKE. If it is prosecuted under the flag state laws, it goes back to the flag state. If it is under U.S. law, we seize it and hold it in the United States.

Mr. GILMAN. And what do you do with the ship, then?

Admiral VENZKE. They are laid up and have to go through lengthy procedures before they can be sold.

Mr. GILMAN. Does the Coast Guard actually perform the sale?

Admiral VENZKE. No, sir, that is handled by Customs.

Mr. GILMAN. What happens to that fund?

Admiral VENZKE. I don't know, sir, how that is handled.

Mr. GILMAN. Does that go under General Treasury?

Do you have any idea how many vessels you seized in the last year?

Admiral GRACEY. Oh, yes, in the last year, we seized 98. That is so far this year; 1982, we seized 268.

Mr. GILMAN. Would all of those be subject to that procedure of going through sale—

Admiral GRACEY. No; I am sorry. That is the total number of vessels. Of those, 17 were stateless; 122 of them were U.S. vessels. So, we are really talking—well, we are probably talking about 100 or so vessels that would fall into that category.

What you are after is where are all these vessels, and what is happening to them?

Mr. GILMAN. Yes; what is happening, and what sort of funds are we talking about that you are recouping for the Government?

Admiral GRACEY. Admiral Stabile had to live with this down in Miami when he was the District Commander down there. I think maybe he can—

Mr. GILMAN. What are we talking about, roughly? How much are you returning to the Treasury by way of these seizures?

Admiral STABILE. Well, that I don't know. I just wanted to—I hate to start out a statement by saying it is complex, but it is. There are a number of people who lease a boat. They will go out and smuggle. The owner does, in fact, not know that the operator

is doing that. This raises a complexity. You get into all kinds of complexities on who is the owner, how many owners are there, whatnot.

You also have many cases where the DEA finds it convenient to work a deal with the guy for further information, and returns his boat. The upshot is that because of the complexities, a lot of these boats stay in storage for 2, 3, and 4 years, and it is difficult for us in the Coast Guard after they pass under the Customs to really find out what happens to all of them.

That is really all I wanted to add.

Mr. GILMAN. Mr. Chairman, I know I have exceeded my time. I would like to reserve the opportunity to come back, but I yield to the next questioner.

Mr. RANGEL. Mr. Ortiz.

Mr. ORTIZ. I just have one simple question.

In regard to intelligence, could you give us a breakdown of when seizures are made? Are these vessels seized because you are out on patrol, or because you have advance intelligence?

Admiral GRACEY. It is both, Mr. Ortiz.

Usually, on the high seas, the mother ships, the ones we are trying to get. We are trying to get them as far away from the United States as possible, and in as big a quantity at a time. So that is why we are kind of really pressing to be away from the U.S. coast for our major vessels.

The intelligence that our ships have takes two forms: A description of vessels and profiles and names. Names don't mean much, because they are changed all the time, and colors are changed all the time.

But profiles of the vessels, kinds of vessels, and routes, where they are going, and we try to coordinate our patrol to intercept. We fly. The aircraft come into play there, too. And we fly over those areas where we think they are going to be.

In what we call the arrival zone, closer to the shore, that is sometimes intelligence, if you have word that there is a case going down, sometimes it is just pure luck, you just stumble into it. You find somebody running at night with no lights on. It is like the guy who robs a bank, and runs through a red light, and gets nailed for running a red light, it is beyond me. Why, if I were smuggling something, why anybody runs with their lights out is beyond me, but they do, and we stop them for that, and find out they are carrying drugs.

So, it is a combination, really. El Paso helps to consolidate data. There is a lot of data coming in. They sort it and consolidate it and feed it back out in the form that is useful to our ships at sea, and we are adding some information to it of a different form, and telling them where to go, based on our analysis of what is coming up.

Mr. ORTIZ. Have you seen a shift of movement from Florida to Texas because of the concentration in Florida resulting from the 12 organized crime standards in use nationally?

Admiral GRACEY. There has been a shift. I don't know—yes, there has been a shift, Mr. Ortiz. There is more coming up—I don't know whether it is going toward Texas, I am aware that it is more along up the Northeast, north coast, some of it is going along the gulf coast, I noticed a couple of areas that I heard about, so I am

sure it is going over to Texas as well, going up the west coast, always has been to a certain extent.

But, our seizure rate, and so forth, as I said in my statement earlier, is up really quite a bit. Now, part of that is due to the fact that we have gotten better at our trade, and we have got better equipment that we are using, and the things I was talking about, that made us more effective.

Part of it, I am sure, is that we are squeezing them. They are not coming through those areas in as heavy a concentration as they were.

Mr. ORTIZ. Another question. Since you have both the DEA and Coast Guard involved, which agency is usually in charge of the task force?

Admiral GRACEY. Each agency is responsible for its own operations, but there is a coordinator. Overall, the Vice President is in charge, but that is a given, I guess. On scene, in the Florida area, for example, each agency had its own responsibility, but there was a coordinator, Mr. Rinkovitch, whose job was to make sure all the pieces were going together.

And I would assume that a similar kind of arrangement will be in effect wherever we do similar things.

Mr. ORTIZ. Thank you very much.

Mr. RANGEL. Mr. Hunter.

Mr. HUNTER. Thank you, Mr. Chairman. I just have a couple questions, and gentlemen, please excuse me if I duplicate questions that were asked before I arrived. I was a little late, and I apologize for that.

You didn't address the issue of the west coast to any great extent in your statement. And I wonder if the drug traffic is increasing on the west coast, about the same, or going down or what?

Admiral GRACEY. I am sure it is increasing, Mr. Hunter. The west coast—having been the Commander of the Pacific Area for a while, I have to keep jogging the elbows of some of my staff to remember to write Pacific Ocean on there. It is unfortunate sometimes that Washington is on the Atlantic coast.

But the ships have been moving up the west coast for a long time, and whether the extent to which it is coming in a greater quantity now or not, we are just not able to say, but we are going to step up our intelligence-gathering capability out there, and our activities on the west coast.

Mr. HUNTER. Where does most of the traffic come from?

Admiral GRACEY. On the west coast?

Mr. HUNTER. Yes.

Admiral GRACEY. West coast of Colombia.

Mr. HUNTER. Colombia?

Admiral GRACEY. Right.

Or that was a couple of years ago, I assume it is still the same.

Mr. HUNTER. You described the mother ships coming in. Do they come in fairly close to the coast and move up the coast? Or do they basically come in from a long way out, coming straight in?

Admiral GRACEY. On the west coast, Mr. Hunter, was being done in a couple of ways. One of the biggest successes we had on the west coast occurred one day when we decided that things were a little slow in the normal—where we thought these fellows ran, so

we took one of our C-130's, and flew out about 400 miles, and first crack out of the barrel, we got about a 350-foot ship out there just surrounded with fishing boats, and they scuttled it. They just sunk it, and abandoned ship, and gosh knows what was in it.

Mr. HUNTER. You say surrounded by fishing boats?

Admiral GRACEY. Yes.

Mr. HUNTER. But it was 400 miles out?

Admiral GRACEY. Yes.

Mr. HUNTER. So what kind of fishing boats would those be? They weren't little fishing skiffs?

Admiral GRACEY. No, no. They are the deep-sea fishermen of various ports on the California coast.

Mr. HUNTER. When you say deep-sea fishermen, you mean commercial fishermen?

Admiral GRACEY. Yes.

Mr. HUNTER. Tuna boats?

Admiral GRACEY. All types.

In this particular case. Now, it runs differently in different ways. The point that I was making though is that we—it is clear that they were going out and way offshore, and then they could come in almost any place and rendezvous. We have got to work on intelligence so we will know where that is going to happen. Right now we are doing it with offshore surveillance, and we don't have good sensor equipment, good radars in our C-130 aircraft that are doing that, and that is one of our steps, is to try to improve our capability, so that we can expand the range, the visibility range of the C-130.

We have been flying out there with a weather radar and a good, old-fashioned eyeball, and that is foolish in 1983, as far as I am concerned.

Mr. HUNTER. On that note, I presume, the increased cooperation that flowed from our passing this posse comitatus act that allows the services to assist you in drug interdiction, wouldn't that support increased cooperation and aid from the Navy on both coasts?

Admiral GRACEY. Yes.

Mr. HUNTER. I would seem to think that their surveillance equipment, at least, would give you, in the situation where these mother ships are coming in within 300 or 400 miles, that would be absolutely necessary if they are going to be effective at that distance.

Admiral GRACEY. It has helped us a great deal in terms of—one of the things that the bill, the law, did was increase the awareness of DOD as to really what was going on in terms of drugs, the intent of Congress and the intent of the administration, as far as Congress was concerned. I don't say that in a deprecating way at all, it just made them aware that this was high priority.

They had always been helping us. They helped us with sighting reports, they helped us if they had training flights with AWACS-type or E2C-type aircraft. They would provide sighting information for us. But it did that, and it provided—it was an incentive. And it has been very helpful. They are providing intelligence. That is the big thing we get from them is what—sighting intelligence, and they do help—the Navy helps by carrying some of our law enforcement teams on their ships, and so that now, at least in the Caribbean, anybody that sees a gray hull, they don't know whether it is a

Coast Guard boarding team on it or not, so they just have to stay out of the way of everybody, and that makes it harder, and that is the name of the game.

They have also escorted seized vessels back to port for us, or tow them in, and they have been very helpful.

Mr. HUNTER. Let me ask you: Do you need more or greater speed with your Coast Guard boats, particularly the smaller boats? Perhaps I missed some of the earlier testimony, I understand that a lot of the smugglers have very high-speed boats, and because of the high profits that they make, they can afford to purchase boats that have a speed greatly superior to yours. That makes it difficult for you during pursuit.

Admiral GRACEY. Yes; it does. However, we have helicopters and aircraft and we think that the investment required for the relatively rare occasion when you are in a chase situation would not be worth it. We would rather take the same amount of money and invest it into vessels that could stay out longer, could handle rough weather better, that could do our other missions, as well.

Now, we are doing some looking at our R&D project, at variations on this, including putting a high-speed boat with an infrared device on it, and a whole range of kinds of things to see what we have.

But our basic thrust, the basic effort that we are after is the mother ship. We really want to stop that guy, and get him outside before it gets into the chase boats.

Mr. HUNTER. OK, well how do you interdict the mother ship at 400 miles out?

Admiral GRACEY. You find him, and the aircraft keeps an eye on him until you can get there with a ship.

Mr. HUNTER. What type of ship are you going to take out?

Admiral GRACEY. Oh, we are going to take a high-endurance cutter or a medium-endurance cutter or a 180-foot buoy tender, or any number of our vessels that happens to be available.

Mr. HUNTER. In the Armed Services Committee, we marked up, in R&D I believe, a little over \$1 million for the so-called Heli-Skimmer, bolt on, if you will, it is a wing that has a vertical ability that basically gives ships a little more lift. It is a kind of an off-the-shelf thing. But I think we are going to stick one on one of your 40-foot boats, and see if it gives extra additional speed without having to increase the power of the basic ship.

Admiral GRACEY. I have seen the arrangement, Mr. Hunter.

Mr. HUNTER. What do you think about that?

Admiral GRACEY. It scares me to death.

Mr. HUNTER. Is that right?

Why is that?

Admiral GRACEY. Well, it will give us a nice, fast boat, but when we get there, I am not sure what we are going to do, because with that arrangement, it is going to be—I think it is going to get in the way of our operations. If you are going to tow, or you are going to have to come aboard alongside a ship, throw heaving lines, or you have got a helicopter situation, and you want to hoist, all of that overhead arrangement is in the way.

So—

Mr. HUNTER. You are speaking of the wing?

Admiral GRACEY. Yes.

Mr. HUNTER. You had a wing, it is just going to kill you.

Admiral GRACEY. There is a time to fly and a time to sail, and I guess I am just an old flag shoe sailor, sir. I have not rejected it. But I think the R&D aspect would be good.

Mr. HUNTER. Well, I think it is good that we got your response to that.

Let me ask you this:

How many 40-foot boats do you have?

Admiral GRACEY. About 200.

Mr. HUNTER. 200. Do you think that there is any mission where it would be beneficial to have greatly increased speed? We are perhaps not going to have an overhead—you are not going to have a helicopter situation, we are having a wing on the thing—would that be detrimental to your operation?

Admiral GRACEY. Well, I think probably what you have talked about is the one with the greatest—would have the greatest potential. If you are in a chase situation, and wanted to have high-speed—but most of the missions of those boats are in heavy weather, are involved towing, or search and rescue work alongside another vessel, or they are trying to fix an aids to navigation—do not require—harbor patrols don't require high speed.

Mr. HUNTER. What is the speed increase you are looking at with that?

Admiral GRACEY. I can't remember.

Admiral STABILE. 26 now, I think they are talking in the 30-knot range somewhere.

Admiral GRACEY. The figure that comes to my mind is 5 or 8 knots.

Mr. HUNTER. Is what?

Admiral GRACEY. 5 or 8 knots, up from—

Admiral STABILE. In the 30's.

Admiral GRACEY. 35 knots, something like that.

Mr. HUNTER. Go from 26 to, say, 35?

Admiral GRACEY. Something like that. That is the way I remember it. That is the way Admiral Stabile remembers it, but I am not sure.

Admiral STABILE. Theoretical.

Mr. HUNTER. Are you folks interested in seeing at least what the outcome of this one modification is?

Admiral GRACEY. I would be pretty cynical if I weren't, Mr. Hunter, because I have taken the position on research and development with my staff and everybody else that nothing is so far out that I am not willing to take a look at it, so we will give it a shot. Who knows, we may find out it was—Gracey's Law is if anything can go right, it just might.

Mr. HUNTER. Great. Thank you.

Mr. Chairman, I have no further questions.

Mr. RANGEL. Admiral, what was your answer again as relates to interdicting aircraft that may be suspected of carrying drugs?

Admiral GRACEY. I think my answer, Mr. Chairman, was that we really don't get into that very much, that I can conceive of a scenario where we would, where we would have a helo that was in an area, and we would pick up—Customs would say to us, pick up on

this, or we would follow it in on our own, because we were aware it was suspicious.

Mr. RANGEL. I thought we had a lot of drugs being flown in here by light aircraft.

Admiral GRACEY. We do.

Mr. RANGEL. Well, who is responsible for that?

Admiral GRACEY. Customs. By the time it gets into there, it is in Customs' territory, and they pretty much have taken the lead on that. We have pretty much taken the lead on the maritime end, especially outside the Customs zone.

If there is aerial work to be done on the high seas, that would be in combination with surface surveillance and in combination with all the other things, then obviously I think there is room—that sort of thing is the kind of thing we would pick up on, but as of now, unless we get some intelligence, something for one of our aircraft out there to look for, we are not seeking aircraft.

Mr. RANGEL. Mr. Gilman.

Mr. GILMAN. Thank you, Mr. Chairman, I just have one or two more questions.

Admiral, I note that there—you have got a lot of your cutters in reserve or in mothballs. Are there any of those that could be used for narcotics work?

Admiral GRACEY. I am not aware of a lot of—

Mr. GILMAN. Well, for example, you have got high endurance cutters of the OWASCO class placed in reserve fleets, some five of those.

Admiral GRACEY. The OWASCO class has gone for as long as I can remember, sir. Have we got any over at the—

Admiral STABILE. They may be in GSA's hands or awaiting disposal, but they are not in any reserve fleet that we control.

Mr. GILMAN. Do you have any cutters in reserve that could be utilized that are in mothballs that you just don't have the funds for, and that is why you are not using them?

Admiral GRACEY. No, sir. As—

Mr. GILMAN. How about the *Secretary* class cutters?

Admiral GRACEY. Secretary class cutters are being operated, the ones that we still have, we are in the throes of replacing them with the new 270-foot cutters. We may continue operating them a little longer than planned while we go through a midlife renovation of our 378-foot cutters, but we haven't resolved that yet.

We don't want to do that. Those ships are going on 40—those ships are now 47 years old.

Mr. GILMAN. Forty-seven years old.

Admiral GRACEY. They were built in 1936, Mr. Gilman.

Mr. GILMAN. Yes, but they are well armed and have a good capability, do they not?

Admiral GRACEY. Yes, they do.

Mr. GILMAN. And still capable of patrolling to interdict drug smuggling?

Admiral GRACEY. Yes, sir, they are.

Mr. GILMAN. Why were the *Spencer* and the *Campbell* not kept active for that kind of work?

Admiral GRACEY. They were just—the *Spencer* was in a state of repair that we just couldn't afford to keep her going, and I think

the same was true of *Campbell*. That decision was made before I got to Washington, and I don't remember the answer. But that is basically it. They are scheduled to be replaced. They were budgeted to be replaced, and the budget program went forward as scheduled.

We have eaten the funds for some of them. We are operating—the three tugboats that we are operating in Florida now are Navy Reserve tugboats. They were on the way to the Navy Reserve Fleet, and we picked them up.

Mr. GILMAN. You say you have eaten up the funds, that means they are not available now to replace those two?

Admiral GRACEY. I am sorry, sir?

Mr. GILMAN. You mentioned you have eaten, I guess you said, the funds?

Admiral GRACEY. By eaten, what I mean is when I refer to eating a ship, that means there is no money in budget specifically for it, so we absorb it out of the hide, we squeeze someplace else and re-program. That is the story of our life in the Coast Guard.

Mr. GILMAN. Now, you mentioned that you have some new 270-foot cutters underway.

Admiral GRACEY. Yes.

Mr. GILMAN. Those of the *Bear* class, are they?

Admiral GRACEY. Yes, sir.

Mr. GILMAN. But only four of those have been authorized and built to date, right?

Admiral GRACEY. Well, those 4—there are 13, there are 9 other ones that are under contract to a firm in Rhode Island.

Mr. GILMAN. Now, you ordered them back in 1978. What takes so long to get them on line?

Admiral GRACEY. Shipbuilding time, sir, and contracting time. We had a dispute over the contract, because it was a company that wanted us to build foreign, and there was another company that didn't want us to, but the basic reason, it was just the case of shipbuilding time.

Mr. GILMAN. It is not a matter of the dollars, right?

Admiral GRACEY. I beg your pardon?

Mr. GILMAN. It is not a matter of not having the funds?

Admiral GRACEY. No; that one has been funded pretty well once it got started, it has been funded OK.

Mr. GILMAN. When do you expect to be able to fill that complement of 13?

Admiral GRACEY. Oh, about 1988 will be the last one. The keel isn't even laid on that one, yet, sir.

Mr. GILMAN. You have got three—how many in service now?

Admiral GRACEY. We have got one that has been commissioned, that is all.

Mr. GILMAN. Only 1 out of the 13 commissioned?

Admiral GRACEY. Yes.

Mr. GILMAN. And it will be until 1988 until you get the other 12 in?

Admiral GRACEY. We had two separate contracts.

Mr. GILMAN. Isn't this sort of the frontline of your vessels that would be used in interdiction?

Admiral GRACEY. No. The frontline, they are going to replace what is the back line. I guess if you have got new ships replacing

the back line, I suppose they become the frontline, but they really aren't. The frontline of our program, the high-endurance cutters of the 378-foot class, and they will be undergoing a major modernization starting in 1984 with the first one.

These ships are coming on line to replace other ships that are over 40 years old that had been adapted and handoffs from the Navy over the years.

Mr. GILMAN. Are you awaiting the construction of any other ships that could be used in narcotic interdiction?

Admiral GRACEY. Well, we have the patrol boats I mentioned, and we are looking for—there are eight of those whose contract is about to go into place. We expect to have them, incidentally, it won't be until 1988 before we get that, and we expect to have them sailing by 1985, 1984, September 1984.

Mr. GILMAN. Admiral, is it true that the average of your patrol aircraft is over 20 years?

Admiral GRACEY. If, by that we are referring to the C-130's, no, it couldn't be. I don't know the average age, but it couldn't be that old. That must be a figure that includes the old HU-16's. And the C-131's that we brought in to fill the gap.

No; our aircraft, our fixed-wing aircraft, Mr. Gilman, now consist of C-130 Lockheed Hercules, whose age has got to be somewhere in the order of 8, 10, maybe, the oldest ones, and they are being replaced.

And about 41, will be 41 next year, HU-25 Falcon jets. Until the age of our patrolling aircraft is really pretty good right now.

Mr. GILMAN. And you have no immediate needs for additional aircraft, then?

Admiral GRACEY. Well, it depends on what we are going to be asked to do?

Mr. GILMAN. Well, for patrolling for narcotics, for example.

Admiral GRACEY. If the grand strategy calls for covering the transit zones up both coasts, we will need some additional long-range aircraft.

Mr. GILMAN. Does the grand strategy call for that?

Admiral GRACEY. Well, I wish it did, yes.

Mr. GILMAN. Are you recommending—

Admiral GRACEY. We don't know what it calls for yet.

Mr. GILMAN. Well, who will have to make that decision?

Admiral GRACEY. Well, the Vice President, I assume, or the President. I am not being cute with you, Mr. Gilman. We are in a position now of trying to decide what is the best way to attack the problem under the new strategy, and we have a plan as to how to take of the waterside, we know what we would do, and we know what we think we would get out of it.

But it needs to be meshed with all the other aspects of the project to see what kind of priorities are willing to be spent. It may be that we don't want to mount a full-scale, all-out offensive. It may be that we will concentrate on one area for a while, and then strategically move and concentrate on another for a while.

There is a whole range of strategies that could be used. We have one strategy that has three or four different levels to it, and different alternative ways to go. And that is the one that is—

Mr. GILMAN. Who is working on that strategy, then?

Admiral GRACEY. Admiral Murphy, the Vice President's Chief of Staff is the man who is putting this program together. We are all working on it together.

Mr. GILMAN. Is this part of the new strategy, then, that you are talking about?

Admiral GRACEY. The interdiction, yes, sir. I am referring to the NNBIS, which is the Border Interdiction System, which is coming on line. And that is geared strictly to interdiction.

Mr. GILMAN. In other words, that strategy isn't fully put in place yet?

Admiral GRACEY. No, sir, it is not.

Mr. GILMAN. How long have you been working on that?

Admiral GRACEY. Three weeks, a month. Everybody is saying no, no, no. He is saying no and he is saying yes.

Mr. GILMAN. How much longer do you think it will be before you get this strategy in place?

Admiral GRACEY. I honestly don't know how to answer your question, Mr. Gilman, because I am not sure where you are going with it. If I knew, I could give you an answer that would be intelligent.

Mr. GILMAN. Well, Mr. Rangel and I were called down to a briefing, I guess, what was it, about 2 months ago, Mr. Leonard? March? On the new strategy, and we are just wondering how far along this new strategy is?

Admiral GRACEY. Well, I can tell you that there is a meeting on it tomorrow that I discussed pieces of it this noon at 12 o'clock, that there is a Coast Guard captain who is working full time on the staff over there, as Admiral Murphy's Chief of Staff, I guess. And we are also sending a lieutenant commander over there, and they have been traveling around the country. They talked to our area commanders, our district commanders, they have talked to the Commissioners of Customs around the countryside.

And so I would assume that we are going to see things start to take shape pretty quick.

Mr. GILMAN. It is beginning to fall in place, then, you are saying?

Admiral GRACEY. Meanwhile, you understand the game goes on. These people are all doing—the Coast Guard is doing its interdiction thing and Customs is doing its interdiction thing. What we are talking about is the extent to which we can improve coordination and the extent, I assume, to which we might want to consider some time in the future putting some additional resources in.

I don't know whether that is in the cards or not.

Mr. GILMAN. Is that all, that strategy, part of this Federal strategy that was produced in 1982?

Admiral GRACEY. It is an outgrowth of that, in a sense of the interdiction aspect of cutting off the supply. But it is a complementary approach to the 12 drug enforcement task forces that the President established last October. And they are in the investigation business, and in the primarily investigatory and intercity kind of crackdown, and this is complementary to that, to try to expand, take advantage of some of the lessons learned in Florida in terms of coordination and to—

Mr. GILMAN. Now, it is my understanding a Coast Guard person will be assigned to each of those task forces; is that correct?

Admiral GRACEY. Yes.

Mr. GILMAN. Have they been assigned, and are they working with them now?

Admiral GRACEY. As far as I know, they have. Some of them are on a full-time basis, and some are on a collateral basis. They are all—yes, they are all there. That is the task forces.

Mr. GILMAN. Yes, they are at work now, and there are 12 different task forces.

Admiral GRACEY. The only place we don't have one is in Denver.

Mr. GILMAN. It is understandable.

Admiral GRACEY. I didn't feel neglected when they said they didn't want one.

Mr. GILMAN. I thank you.

Thank you, Mr. Chairman.

Mr. RANGEL. Mr. Shaw.

Mr. SHAW. Thank you, Mr. Chairman.

First of all, I would like to congratulate you all for the tremendous job that you have been doing in south Florida. I don't know of any agency of the Government that is doing so much with so little that we have given you to work with.

I would like to focus, if I could, for just one moment on an area that I understand has not been touched upon. What evidence do we have—if this is something you would rather not comment at the hearing, you can certainly so advise me—what evidence do we have that Cuba is involved in drug traffic at this time?

Admiral GRACEY. I know only what I read in the newspaper, Mr. Shaw. I am not aware of any. There is none of our own intelligence on it that I am aware—

Mr. SHAW. Sir?

Admiral GRACEY. We don't have any direct on it, and I only know what I have been reading, and that is—the answer is really, I don't have any, and I can't give you an answer that would be helpful.

Mr. SHAW. OK, on the interdiction efforts, I understand that you have made the comment that you could not focus strong attention in other parts of the country that you have in the area of the waters around Florida.

What effect, though, is your interdiction efforts around Florida having upon the drugs coming into the rest of the country? In other words, the drugs that you interdict in Florida, does that alleviate the need for that type of concentration elsewhere?

Admiral GRACEY. That is very hard to tell. It is kind of is your cup half full or half empty, I think. We feel that the more drug—the further away we can intercept the drugs from the country, any part of the country, the better. It cuts down the odds that somebody is going to be able to dash in with a runner boat with a load.

So, obviously, that which we are able to stop near Florida, that is about as far away from the rest of the country as you can get, except—in the South. I hope your constituents understand that statement if they read it. I was not referring deprecatingly toward Florida.

So we can only assume that if we have good success in bringing this stuff up—stopping the stuff from coming through the choke-

points in the Caribbean, then that is going to hold down the amount that is moving into the rest of the country.

The other side of that coin is that as we have success there, it does force the drug smugglers to go elsewhere. That is not all bad, because it costs them more, it is more complicated, and the odds of their making a mistake or our finding them get bigger as they spread out more and go further. The longer they are underway, the more chance we have to get them.

So, it is the good news and bad, as far as the other parts of the country are concerned.

Mr. SHAW. Initially, when we started with the south Florida task force, there was much discussion up here on the Hill, particularly by members that we consider further away from the rest of the country, which we consider to be Florida, as the resources of the Coast Guard coming away from parts of the rest of the country, have we been able to alleviate that problem to some degree?

Admiral GRACEY. No, we haven't really alleviated it, because there is nothing to alleviate it with. We feel that it is working out OK, because we are stopping the drugs further away, and while a vessel is moving from one place to another, it is obviously available to run surveillance and search on the transit zone.

And if an aircraft out there finds something, that ship that is en route is closer to it can move. So there is good aspects involved. But, no, those resources that we moved down there, the three helicopters and the two ships, and those things, they are there, and they aren't where they used to be.

So, obviously, to that extent, we haven't alleviated it. We don't think it is all bad. Quite the contrary. We think it has got some beneficial effects. The two ships that we moved to Florida out of the northeast, were ships that were spending a lot of time on every patrol going back and forth to Florida from up in the northeast. And that is where they were operating, and they are ships that are better suited for operating in the south than in the north, so we thought it smarter to move them down there and make productive use of that 8-days' transit time that they were spending on a patrol. And that is why we did that.

Mr. SHAW. Is the Navy still assisting on any regular basis with regard to towing and things of that nature so you can stay in those chokepoints for a longer period of time?

Admiral GRACEY. They are available for that, but I don't know how much we have used them lately, but they are there, and if we need them, they will do it.

Mr. SHAW. Are they transporting prisoners as well, or just the—

Admiral GRACEY. I don't know whether they have transported them or not. No, they haven't.

Mr. SHAW. Prisoners. Is that because of the regulations concerning posse comitatus?

Admiral GRACEY. We don't very often transport prisoners ourselves. We usually bring them in on the seized vessel. We put a custody crew on the vessel, or we put a towline on the vessel and tow it in.

Mr. SHAW. So, when the Navy tows one in, they are doing it with Coast Guard men aboard the seized vessel.

Admiral GRACEY. They may do that, or they may just tow it and have the master of the seized vessel take care of the towline. We have done it both ways, ourselves.

Mr. SHAW. Thank you.

Thank you, Mr. Chairman.

Mr. RANGEL. What role does the Navy play besides what you just testified? Can't we get some of their ships out there to help you out?

Admiral GRACEY. Well, their ships are helping us out on a vessel of opportunity basis.

Mr. RANGEL. What does that mean?

Admiral GRACEY. That means if they are operating in an area where we have some, either some information that something is going on, or interest in, then they will take one of our boarding teams along.

They are always keeping their eye out to give us back our profile vessels, ships that need the profile, and give us——

Mr. RANGEL. OK. They are cooperative.

Admiral GRACEY. That is vessel of opportunity. You are suggesting that maybe they ought to be sent just for this purpose, and they have not done that yet. I would submit that that is difficult at a time when they are trying to maintain their readiness status.

Mr. RANGEL. Maintain what?

Admiral GRACEY. Their readiness status.

Mr. RANGEL. How would this deter their readiness status?

Admiral GRACEY. Well, it depends on—ships of the Navy have training to be done and exercises to be done, and wartime operations, and they are doing—covering certain parts of the—I don't really know all of the things that Navy ships do, but I presume that they have been doing productive things——

Mr. RANGEL. Well, do me a favor and see whether or not we can incorporate that into the strategy. I would like to believe——

Admiral GRACEY. Well, you mean——

Mr. RANGEL. No, I would just like to know, we will call them, maybe, but——

Admiral GRACEY. No; I can answer the question for you right now.

Mr. RANGEL. There are a lot of ships out there, and we want them to be combat-ready, but I don't see where there is anything inconsistent in having some new ships at work, not in cooperation, but in conjunction with your mission.

Admiral GRACEY. Well, I think that is what I was trying to convey that they do do. But they don't——

Mr. RANGEL. You said if they were out there doing their mission, then they would listen to suggestions from you with intelligence that you have. I am saying that we would like to have them part of the team.

Admiral GRACEY. I think they are part of the team.

Mr. RANGEL. Very good.

Admiral GRACEY. And they are being built into the—I know that a part of the strategy that you are interested in does include what they are capable of doing.

Mr. RANGEL. Well, who would I ask what role does the Navy play in terms of interdiction?

Admiral GRACEY. Who would you ask? Well, we can tell you. If you want to know—

Mr. RANGEL. What role does the U.S. Navy play as relates to drug interdiction?

Admiral GRACEY. They provide intelligence for us, and assistance for us in cases where we have made a seizure and need someone to take the vessel back so that we can stay on patrol. They carry our boarding teams. One of their guided missile cruisers on an aircraft carrier was involved in a seizure. That is about as big a vessel as you can get involved in the program.

And they provide very excellent intelligence. They make aerial flights to provide intelligence, and so they really very much involved.

Mr. RANGEL. You don't see any expanded role for the Navy to improve your mission?

Admiral GRACEY. I know that there is interest in that, and whether it can be coordinated with their ongoing role or not, I don't know, Mr. Chairman.

Mr. RANGEL. Now, the Chief of Staff has indicated that with all these new ships that are coming on board or in the pipeline, that that really doesn't increase your fleet any. That for each new ship that comes on, you retire a ship, that we are dealing with replacement rather than new capacity; is that true?

Admiral GRACEY. Well, the ships that we are building now, yes, sir, that is right. That is not true of the surface effect ships that came in last year. They were additional of the two, and we have another one coming this summer. That is additional.

The eight patrol boats we are talking about buying now, that is additional. But these medium endurance cutters that we are talking about were intended as replacements for some old ships, much smaller, much less capable ships.

Mr. RANGEL. But if we didn't have a drug problem, it would be your professional opinion that we would need these just for your mission anyway, right?

Admiral GRACEY. Oh, yes, sir; yes, sir, no doubt about it. These were not built for the drug situation. They were built to replace these medium endurance cutters that we have had to do our jobs. We did keep, incidentally, three additional tugboats that we got from the Navy, were only designed as a stopgap until—while we licked our wounds after the Cuban exodus situation. And we still have them, we are still operating them, we spent a lot of money to fix them up, and some of which we had to reprogram out of our own resources.

Mr. RANGEL. You haven't seen any Communist Cubans bringing that stuff into the United States?

Admiral GRACEY. I didn't say that.

Mr. RANGEL. By ship.

Admiral GRACEY. We haven't seized one yet.

Mr. RANGEL. We are depending on you to keep these Communists off—especially in Florida, you know. You haven't detected any of these drug pushers down there?

Admiral GRACEY. No, to look at our statistics, I see that in 1981, we arrested 51 Cubans, and 1981 and 1982, and 18 so far this year. But that is not ships. I don't see any ships of Cuban registry listed.

Mr. RANGEL. Well, Mr. Shaw, we are going to have to get together and check out some of this information that has been coming to us from the White House. It may be slipping through here. We want to make certain that we have a barrier to that, because if we are going to be overthrown by those Cubans, we want to make certain we got our strongest forces out there.

Mr. GILMAN. Mr. Chairman? Does Cuba cooperate with us on vessels that wander into their waters? Do they return them to you or indicate to you that—

Admiral GRACEY. Sometimes yes, and sometimes no.

Mr. GILMAN. Wasn't there a time when Cuba did cooperate with the Coast Guard and let you know when they had sighted a suspected—

Admiral STABILE. They certainly did for the 3 years that I was down there. I have been only gone from there 1 year. And certainly, on search and rescue, we did have cooperation both ways. We helped their people, and they helped ours.

Mr. GILMAN. Does that exist today?

Admiral STABILE. As far as I know. I don't know of any change. Now, there has been no cooperation with regard to drug enforcement or law enforcement in general. They do their own and we do our own.

Admiral GRACEY. Search and rescue we are talking about.

Mr. SHAW. I would like to just follow up on your line of questioning. You mentioned there were 50-some Cuban nationals last year, and 18 so far this year, I believe. What type of vessels were they on?

Admiral GRACEY. I don't have that information.

Mr. SHAW. Could it be that they were on vessels that just weren't flagged?

Admiral GRACEY. That is possible.

Mr. SHAW. I mean how would we know whether the vessel was coming out of Cuba or not? I would doubt—

Admiral GRACEY. What I meant to say, if I didn't, was that the vessel references I am talking are those which are flying the flag of Cuba. We don't have any—I have in none of my statistics here that indicates that we seized any who were flying the Cuban flag. Now, there are, in each of these, each year, we get about 20 stateless vessels, and who knows where they come from?

Mr. SHAW. Has the Coast Guard done any specific investigation as to Cuban narcotics?

Admiral GRACEY. The Coast Guard?

Mr. SHAW. Yes, sir.

Admiral GRACEY. Not that I am aware of, no.

Mr. SHAW. Do you necessarily have any occasion to look at any files of any other investigative agencies that might have reports to that effect?

Admiral GRACEY. My intelligence people may, yes, sir.

Mr. SHAW. Thank you, Mr. Chairman.

Mr. RANGEL. Let me thank you, Admiral. I think we are off on the right foot. Again, you have been very cooperative. We want to continue that cooperation, and we do hope that you don't wait for formal hearings, if you think that this committee can be of any assistance to you and your mission.

Admiral GRACEY. Thank you, Mr. Chairman, we appreciate your interest and patience with our mumbling answers.

Mr. RANGEL. Sometimes the mumbling answers have a ring of more sincerity than those that are manufactured. Thank you.

The committee stands adjourned. Our next hearing will be June 8, at which time the witness will be Customs, U.S. Customs.

[Whereupon, at 4:00 p.m., the select committee recessed, to reconvene Wednesday, June 8, 1983.].

[Responses to questions posed to the Coast Guard during the hearing follow:]

U.S. Department
of Transportation
**United States
Coast Guard**



Commandant
United States Coast Guard

Washington, DC 20593
Staff Symbol: (G-CC)
Phone (202) 426-4280

0 2 NOV 1983

The Honorable Charles B. Rangel
House of Representatives
Washington, D.C. 20515

Dear Mr. Rangel:

Enclosed are responses to the questions you posed following my testimony before the House Select Committee on Narcotics Abuse and Control on May 24th.

Enclosure (1) responds to the specific questions of the committee. I have taken the liberty of placing the questions raised in the body of your letter into a standard question and answer style format and have submitted them as enclosure (2). Questions 21 through 24 of enclosure (1) and questions 6 and 8 of enclosure (2) require further internal review and will be forwarded under separate cover.

I hope these answers will be of help to you and your committee.

Sincerely,


J. S. GRACEY
Commandant, U. S. Coast Guard
Commandant

Encl: (1) Q&A's enclosed with letter
(2) Q&A's included in text of letter

U.S. Department
of Transportation

United States
Coast Guard



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27 JAN 1981

The Honorable Charles B. Rangel
Chairman, Select Committee on Narcotics
Abuse and Control
House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

The enclosed will complete the responses to questions posed following my testimony before the Select Committee.

The increase in airdrop activity to contact boats or motherships has been of growing concern to us. During the past year, several decisions have been made regarding sensor enhancements that would allow Coast Guard resources to make possible contributions in air interdiction and become more effective in the maritime interdiction effort. Within the next two years these enhancements will give the Coast Guard a still limited, but improved, capability to conduct air surveillance, detection, and some tracking potential. Additional consideration is being given to ship mounted, as well as shore mounted, tethered aerostats (balloons). Although originally conceived for radar surface search purposes, the addition of an air search capability may also be possible.

The delay in these responses was due to changing concepts and an attempt to provide your committee the most complete, current and meaningful responses possible.

I was pleased to appear before your committee and provide some detail on our efforts to combat this very real national problem.

Sincerely,

J. S. GRACEY
Admiral, U. S. Coast Guard
Commandant

Encl: (1) Q&A's re: Air Interdiction (6)

FEDERAL STRATEGY DEVELOPMENT AND COORDINATION

1. DO YOU THINK THE CURRENT STATUTORY REQUIREMENT FOR THE PRESIDENT TO FORMULATE A FEDERAL DRUG STRATEGY IS AN EFFECTIVE TOOL FOR SETTING NATIONAL PRIORITIES, ALLOCATING RESOURCES, CLARIFYING AGENCY RESPONSIBILITIES, AND ESTABLISHING PROGRAM GOALS AND OBJECTIVES TO MEASURE AGENCY PERFORMANCE IN THE AREA OF DRUG ABUSE PREVENTION AND CONTROL?

A: Yes. The strategy provides a broad overview of the problems and initiatives required to attack the major areas of concern. It provides the basis for follow-on action by other agencies within the federal framework. The maritime interdiction of drugs is part of that strategy and places a tasking on the Coast Guard for which it has proven well suited. In this regard the Cabinet Council on Legal Policy, through the Working Group on Drug Supply Reduction, is the entity tasked with establishing program goals and objectives for measuring performance. The matter is still being addressed. Once resolved, resource allocation would be the appropriate follow-on.

2. HOW CAN THE FEDERAL STRATEGY BE IMPROVED TO BETTER ACHIEVE THE ABOVE PURPOSES?

A: The primary concern of the Coast Guard has been to interdict maritime shipments of illicit drugs bound for the U.S. With the development of the National Narcotics Border Interdiction System (NNBIS), a more direct attack on the interdiction problem should be achieved as specific interdiction goals are set for the various modes of transportation - land, sea and air. The Federal Strategy through NNBIS has made considerable strides in providing forces and access to resources and may be an avenue to support the stronger penalties outlined in my response to question #4. NNBIS should eliminate the individual agency "discretion" in the allocation of resources by coordinating the use of each agencies resources to accomplish "joint" agency needs.

3. RESPONSIBILITY IN THIS ADMINISTRATION FOR DRUG POLICY DEVELOPMENT, COORDINATION, AND IMPLEMENTATION IS DISPERSED AMONG A CONFUSING ARRAY OF CABINET COUNCILS, WORKING GROUPS AND TASK FORCES. WOULD THE APPOINTMENT OF A CABINET-LEVEL OFFICIAL, WITH FULL-TIME RESPONSIBILITY OVER ALL ASPECTS OF DRUG ABUSE PREVENTION AND CONTROL AND AUTHORITY TO RESOLVE INTERAGENCY DISPUTES, IMPROVE OUR NATION'S EFFORTS TO STEM DRUG ABUSE AND TRAFFICKING? WHY OR WHY NOT?

A: No...such action is not indicated. I believe the establishment of the National Narcotics Border Interdiction System (NNBIS) effectively provides that high level coordination of interdiction efforts while the White House Drug Abuse Policy Office coordinates the five distinct elements of the entire federal strategy.

NNBIS, under the Vice President, is an effective approach to resolving the issues mentioned. The creation of a separate Cabinet level official who would have line control (real or inferred) over agency assets to accomplish this task is not organizationally sound. In the Coast Guard it could be disastrous. Most of our assets are multi-mission. Our operational control is decentralized and vested in 12 different district commanders who work for 2 area commanders. They meet all Coast Guard operational demands in real time according to mission priorities and availability of resources. I see no practical way of sharing operational control of our multi-mission assets outside the direct supervision by these line officers.

MARITIME DRUG ENFORCEMENT AUTHORITY

4. IN YOUR TESTIMONY YOU RECOMMEND TWO CHANGES IN P.L. 96-350 THAT WOULD IMPROVE YOUR ENFORCEMENT OF THE LAW. ONE INVOLVED RAISING PENALTIES FOR LARGE-SCALE MARIJUANA SMUGGLERS TO THE LEVEL PROVIDED UNDER P.L. 96-359. THE OTHER INVOLVED SHIFTING THE BURDEN OF PROOF FROM THE GOVERNMENT TO THE DEFENDANT ON THE QUESTION OF STATELESS VESSELS.

PLEASE ELABORATE ON WHY YOU FEEL THESE CHANGES ARE NECESSARY. WHAT SPECIFIC STATUTORY LANGUAGE WOULD YOU RECOMMEND TO ACCOMPLISH THESE OBJECTIVES?

- (a) Raising the penalties for large scale marijuana smugglers to the level commensurate with the potential profit from its sale would be an added deterrent. Before we can begin to discourage smugglers, the penalties will have to be elevated to the level where the cost of doing business is too expensive. Currently, individual and criminal organizations are not deterred because the benefits of large scale marijuana trafficking are so lucrative that existing sanctions are considered as an acceptable cost of doing business.

Most Coast Guard cases are prosecuted under 21 U.S.C. 955a with penalty provisions found at 21 U.S.C. 960. The penalties are 5 years and \$15,000 for marijuana. Public Law 96-359 increased penalties in 21 U.S.C. 841 for domestic trafficking in greater than 1,000 pounds of marijuana from 5 to 15 years with a fine of \$125,000 and increased penalties for repeat offenders. However, it is not applicable outside U.S. territory, where the vast majority of Coast Guard seizures occur. Since the average Coast Guard seizure is in excess of 7 tons, increased penalties in 21 U.S.C. 960 would provide substantial additional deterrence to international drug traffickers.

I recommend adding a new paragraph (3) to 21 U.S.C. 960(b):

"(3) If a violation of this section involves a quantity of marijuana exceeding 1,000 pounds, the person committing the violation shall be sentenced to a term of imprisonment not more than 15 years, or fined not more than \$125,000, or both. If the person commits the violation after the person has been convicted of one or more violations punishable under this section or for a felony under any other provision of this subchapter, subchapter I of this chapter, or any other law of the United States relating to narcotic drugs, marijuana, or depressant or stimulant substances and the previous conviction has become final, the person shall be sentenced to a term of imprisonment of not more than 30 years, or fined not more than \$250,000, or both."

(Question #4 Cont'd)

- (b) The second recommended change applies to stateless vessels on the high seas. This change will not alter the existing procedures required for inter-agency consultation on non-military incidents under Presidential Directive 27 (PD-27). We believe it appropriate to place the burden of proof on vessels found engaged in trafficking to affirmatively make claim to registry status or be later foreclosed from such claim. If a claim is made they should be required to produce current valid documentation of the fact. Under current law, proving statelessness is often a difficult effort in a court of law because it forces the prosecution to prove the lack of legitimate registry. This requires the cooperative efforts of foreign governments. Stateless vessels comprise approximately 10 percent of our seizures and are normally motherships en route the U.S. The vast majority of these make false registry claims and are subsequently "assimilated to stateless". We can respond quite easily to this situation on the high seas. The State Department requests verification of the registry from the claimed country and, if the claim is refuted, the vessel is assimilated to stateless and treated accordingly. In court, this approach requires that we produce certification of the record search by the claimed country and authentication of all documents involved. It is often difficult to accomplish this in the timely fashion required by our criminal process. International standards require an affirmative claim to registry in order to claim the protection of high seas freedoms and require evidence of such registry to be maintained aboard.

I recommend amending 21 U.S.C. 955a(e) by designating the existing text as paragraph (1) and adding a new paragraph (2) as follows:

"(2) In the absence of proof at the time a vessel is boarded or seized that the vessel has been granted nationality by a foreign nation in accordance with Article 5 of the Convention on the High Seas, 1958, the vessel shall be presumed in any judicial proceeding to be a vessel subject to the jurisdiction of the United States. The burden of going forward with evidence that the vessel is not subject to the jurisdiction of the United States is on the person claiming that fact."

Further, 21 U.S.C. 955b(c) should be amended as follows:

"(c) "Vessel of the United States" means:

(1) a vessel documented under the laws of the United States or numbered as provided by chapter 123 of title 46, United States Code;

(2) unless it has been granted the nationality of a foreign nation in accordance with Article 5 of the 1958 Convention on the High Seas, a vessel owned in whole or in part by:

- (A) the United States or a territory;
- (B) a State or political subdivision thereof;
- (C) a citizen or a national of the United States; or
- (D) a corporation created under the laws of the United States or

of any State; and

(3) a vessel that has been granted the nationality of a foreign nation in accordance with Article 5 of the 1958 Convention on the High Seas, if the vessel was once documented under the laws of the United States and sold to a person not a citizen of the United States or placed under foreign registry or flag in violation of the laws of the United States.

POSSE COMITATUS

5. IN YOUR TESTIMONY, YOU OUTLINED SEVERAL AREAS IN WHICH YOU RECEIVE SUPPORT FROM THE MILITARY FOR YOUR DRUG ENFORCEMENT EFFORTS INCLUDING INTELLIGENCE, SHIP SIGHTINGS, TOWING/ESCORT SERVICE FOR SEIZED VESSELS AND CARRYING COAST GUARD BOARDING PARTIES ON NAVY SHIPS.

(a) TO THE EXTEND POSSIBLE, PLEASE QUANTIFY THE ASSISTANCE YOU HAVE RECEIVED FROM THE MILITARY, E.G., WHEN HAS THE NAVY TOWED/ESCORTED SEIZED VESSELS, WHEN HAVE NAVY SHIPS CARRIED COAST GUARD BOARDING PARTIES, WHEN AND WHERE IS THE MILITARY PROVIDING SIGHTINGS, ETC?

<u>VESSEL NAME</u>	<u>DATE SEIZED</u>	<u>POUNDS MARIJUANA (MJ)</u>	<u>ARRESTS</u>	<u>TYPE OF ASSISTANCE</u>
MISS CECILE	28 MAY 82	71,400	4	TOWING
RIO PANUCO	28 MAY 82	102,650	13	ESCORT
BENNY	4 JUN 82	21,920	7	REFUELED WPB
YVETTE	6 JUN 82	10,950	7	ESCORT
MONT BORON	10 SEP 82	RESIDUE	11	SHOW OF FORCE BY NAVY VESSEL AND FIGHTER AIRCRAFT
RECIFE	20 NOV 82	50,650	11	CG TACTICAL LAW ENFORCEMENT TEAM, AIRCRAFT SEARCH
CIVONNEY	16 MAR 83	40,000 46 lbs Cocaine	21	AIRCRAFT SEARCH
GATOR	9 APR 83	2,000	4	CG LAW ENFORCEMENT DETACHMENT, ESCORT
XIPHIAS	21 APR 83	27,225	5	CG LAW ENFORCEMENT DETACHMENT, ESCORT
ALEX	28 JUN 83	100,000	17	CG LAW ENFORCEMENT DETACHMENT, ESCORT, AIRCRAFT SEARCH
RANGER	15 JUL 83	57,265	9	CG TACTICAL LAW ENFORCEMENT TEAM, GUNFIRE SUPPORT, ESCORT
T-GRIT	3 AUG 83	28,000	14	CG LAW ENFORCEMENT DETACHMENT, COMMUNICATIONS SUPPORT
FL-2940-EA	4 AUG 83	3,500	3	CG LAW ENFORCEMENT DETACHMENT
TOTAL - 13 Vessels		515,860 lbs MJ 46 lbs Cocaine	126 Arrests	

(Question #5 Cont'd)

The various other Armed Services have been providing support as follows:

NAVY

Aircraft - An average of 350 flight hours per month
 Ships - TACLET/LEDETS have ridden for a total of 98 days and
 230 hours have been devoted to seizures
 Personnel - 10 full-time personnel will help man NNBIS Regional Centers

AIR FORCE

Aircraft - An average of 44 flight hours per month
 Personnel - 10 full-time personnel will help man NNBIS Regional Centers

ARMY

Aircraft - Total of 100 flights hours by National Guard units in Georgia
 Personnel - 5 full-time personnel will help man NNBIS Regional Centers

(b) HOW MUCH DOES THIS ASSISTANCE COST THE COAST GUARD?

A: There has been no cost to the Coast Guard for Department of Defense assistance to date.

(c) HOW HAS THIS ASSISTANCE IMPROVED THE RESULTS OF YOUR DRUG LAW ENFORCEMENT EFFORTS?

A: Participation by other military services has provided improved overall intelligence data which has allowed the Coast Guard to deploy assets more effectively. Surveillance support, carrying law enforcement boarding teams, towing/escort service and even gunfire support have also led to seizures, either directly or indirectly, and permitted more effective use of Coast Guard operational units. The deterrent effect provided should not be underestimated. Drug runners must now ensure they avoid all U.S. military units; not just the Coast Guard.

(d) WHAT KIND OF MILITARY ASSISTANCE (E.G., INTELLIGENCE, TRAINING, USE OF DOD FACILITIES AND EQUIPMENT, OPERATIONAL SUPPORT) IS MOST HELPFUL TO YOU?

A: Each of the categories is important to the effort and cannot be overlooked. However, since our biggest gap is in intelligence data, I would have to list that as currently of paramount importance. Increased fixed wing surveillance and suspect vessel reporting from the Navy's surface fleet have been extremely helpful in obtaining this intelligence for our data base.

(Question #5 Cont'd)

(e) WHAT HAS BEEN THE MAJOR BENEFIT TO THE COAST GUARD OF P.L. 97-86 WHICH CLARIFIED THE EXTENT TO WHICH THE MILITARY CAN ASSIST CIVILIAN LAW ENFORCEMENT EFFORTS? FOR EXAMPLE, ARE YOU GETTING ASSISTANCE NOW THAT YOU COULD NOT GET BEFORE BECAUSE OF THE POSSE COMITATUS RESTRICTIONS? ARE YOU GETTING MORE ASSISTANCE THAN BEFORE?

A: The Coast Guard is getting assistance that we couldn't get before and we are receiving more than was previously provided. Probably the most significant benefit has been the awareness it produced within the other military services of the assistance which can lawfully be provided as well as awareness of the emphasis the Congress and the Administration are willing to place on the drug problem. Such awareness has provided increased support by the Navy, and generated support from the Air Force and Army.

(f) HOW WOULD YOU ASSESS THE MILITARY'S COOPERATION IN THIS AREA? WHAT ADDITIONAL ASSISTANCE DO YOU BELIEVE THE MILITARY COULD PROVIDE WITHOUT IMPAIRING THEIR PRIMARY NATIONAL DEFENSE MISSION? FOR EXAMPLE, COULD THE NAVY'S ROLE IN DRUG INTERDICTION BE EXPANDED?

A: Cooperation from the other services has been excellent. I cannot comment on what additional assistance the military could provide without impairing their primary national defense mission. However, additional surveillance resources can always be utilized and the continued improvement in collecting and disseminating intelligence is desirable.

6. BASED ON YOUR EXPERIENCE SO FAR UNDER THE POSSE COMITATUS AMENDMENTS, DO YOU SEE THE NEED FOR ANY ADDITIONAL CHANGES IN THE LAW?

A: No. Changes in the law are not needed.

ORGANIZED CRIME DRUG ENFORCEMENT TASK FORCES (OCDEFs)

7. (a) WHAT IS THE COAST GUARD'S ROLE IN THE 12 NEW ORGANIZED CRIME DRUG ENFORCEMENT TASK FORCES (OCDEF's)?

A: The Coast Guard is providing an officer to serve on each of the Task Forces, except the one in Denver, on a full time basis. The Department of Justice (DOJ) has analyzed projected case loads for each Task Force to determine the anticipated level of Coast Guard participation.

(b) FOR FISCAL YEAR 1983 AND 1984, WHAT RESOURCES IS THE COAST GUARD COMMITTING TO THE TASK FORCES?

A: For FY 83 resources were committed to support the level of participation as outlined above. During FY 84 this level will continue but may change depending on the actual need for Coast Guard involvement in the individual Task Force operations.

(c) WHAT IS THE COST TO THE COAST GUARD OF PARTICIPATING IN THE TASK FORCES?

A: Due to the reimbursement from the DOJ, it is not anticipated the Coast Guard will incur any additional costs attributable to OCDEF participation during FY 83. During FY 84 the costs should not exceed \$1M as they will involve incremental costs associated with cutter and aircraft utilization, salaries and temporary duty for OCDEF personnel, and equipment maintenance.

8. HOW IS THE OCDE TASK FORCE EFFORT PROGRESSING?

A: The task forces are organized and prosecuting cases in each of the core cities. Coast Guard personnel have been permanently assigned to the OCDE Task Forces in Boston, St. Louis, Baltimore, Atlanta, Houston, Detroit, San Diego and Los Angeles. Temporary personnel are acting as coordinators in New York, Chicago, and San Francisco. Permanent positions have been authorized and people will be assigned shortly in these three core cities. It has been determined that Coast Guard participation is not necessary in Denver. Feedback from the field indicated that the degree of Coast Guard involvement varies as a function of case selection by the Department of Justice (DOJ) and core city U.S. Attorneys. Actual progress is measured by DOJ standards. I think it would be more appropriate for the Attorney General to provide an assessment of the progress.

9. WHAT RESOURCES (\$/PERSONNEL/EQUIPMENT) HAVE YOU COMMITTED TO THE SOUTH FLORIDA TASK FORCE FOR FISCAL YEARS 1983 AND 1984?

A: The increases in resources committed to the Southeast United States (SEUS) for FY 83 were:

- o Increased patrol time in the SEUS by one cutter year.
- o Established a Surface Effect Ship (SES) Division of two SESs in Key West in November 1982. A third SES was commissioned in July 1983, and assigned to the SES Division.
- o Two medium endurance cutters (WMEC) were transferred to Florida in fourth quarter FY 82.
- o Obtained funds to continue operation of WMECs UTE, LIPAN, and ESCAPE. Major overhauls planned for this FY.
- o Transferred three helicopters from other districts to Miami to support cutter deployments.
- o Six new HU-25A medium range search (MRS) aircraft operational at AIRSTA MIAMI replacing older C-131's.
- o Initiated program to procure eight new patrol boats for the Southeast United States.
- o Established a 15 person Tactical Law Enforcement Team (TACLET) in Miami in the fourth quarter FY 82.
- o Established Interdiction Operations Information Center (IOIC) in Miami and two 7-person Law Enforcement Detachments (LEDETs) in October 1982. Initially supported by 36 temporary personnel, these positions have been made permanent and are being filled.

Specific program increases for FY 84 are addressed in question 25.

Additional projects that will help USCG efforts in SEUS procured with FY 82/83/84 appropriations are:

- o Provide shore support for new SESs in service.
- o Purchased 108 rigid hull inflatable boats (RHIBs) for Coast Guard cutters and buoy tenders.

(Question #9 Cont'd)

- o Vessel/aircraft AC&I acquisitions/modernizations that will enhance ELT capability include:
 - 270' Medium Endurance Cutter (WMEC)
 - 378' Fleet Renovation And Modernization (FRAM)
 - 210' Mid-Life Maintenance Availability (MMA)
 - Aireye
 - HH-65A Forward Looking Infra-Red (FLIR)
 - Prototype SWATH (Small Water Plane Area Twin Hull)
 - HU-25 Aircraft
 - HH-65A Helicopters
 - C-130 Procurement In Lieu Of Conversion (PILOC)
 - C-130 Forward Looking Airborne Radar (FLAR)
- o Replace obsolete shipboard navigation and communications equipment.
- o Provide Omega navigation equipment for HU-25A aircraft operated in the Caribbean.

10. HOW HAS THE DIVERSION OF COAST GUARD RESOURCES TO SOUTH FLORIDA AFFECTED YOUR DRUG LAW ENFORCEMENT ACTIVITIES IN OTHER AREAS, PARTICULARLY ALONG THE MID-ATLANTIC AND NORTH-ATLANTIC COASTS?

A: Our basic strategy is to interdict traffickers as far away from arrival areas and at, or as close to, departure areas as possible. In the Atlantic, therefore, the net adverse effect overall on our drug interdiction mission has been minimized as major resources were deployed to patrol the traditional routes of the traffickers. We retain several large cutters as interdiction assets offshore to the North, including our Cadet Practice Squadron of cruising cutters which were very effective this summer. As a backup, we have patrol boats and small boats capable of effecting interdiction within the arrival zones of the Mid and North Atlantic coastal regions.

Drug enforcement activities in the Southeast United States (SEUS) area have resulted in diversions of drug traffic particularly along the Atlantic Coast. Our statistics for 1982 show an increase (over 1981 levels) in vessel seizures of 69 percent, an increase in marijuana seized of 352 percent and an increase in arrests of 152 percent for the Atlantic coast region north of South Carolina (Districts 1, 3, and 5). Similar trends are already apparent for 1983. These increases may not all be due to diversion from the Caribbean area. Some portion of the increase is most certainly due to increasing levels of effectiveness. A precise breakout of the increase due to diversion is impossible because of the clandestine nature of smuggling in general.

Aggregate statistics for Districts 1, 3, and 5 are as follows:

	<u>VESSEL SEIZURES</u>	<u>POUNDS MARIJUANA SEIZED</u>	<u>ARRESTS</u>
CY81	13	131,552	56
CY82	22	594,768	141
CY83 to 31 July	8	194,050	78

11. HOW HAS YOUR PARTICIPATION IN THE SOUTH FLORIDA TASK FORCE AFFECTED OTHER AREAS OF THE COAST GUARD'S OPERATIONS?

A: Drugs transitting the South Florida and Caribbean areas are also destined for markets further north; so deploying units from other East Coast and Gulf Coast ports to interdiction operations further to the south, also stem the flow of drugs further north. Thus the Coast Guard participation in the South Florida Task Force has had varying effects on other Coast Guard operations. To improve efficiency, two Medium Endurance cutters (WMECs) were transferred to Florida from the Northwest Atlantic so that they would be closer to their primary operating area, and ocean-going buoy tenders have been doing more law enforcement. Additional deployments of High and Medium Endurance Cutters to the Southeast United States (SEUS) area increased the patrol time by one cutter year. As a result the level of patrol time available for fisheries law enforcement in the Northwest Atlantic was reduced. This loss was partially offset by redesignating CGC EVERGREEN from an Oceanographic Cutter (WAGO) to a WMEC, and deploying her on offshore law enforcement patrols off the Mid-Atlantic and New England Coasts. When CGC RELIANCE was transferred from Yorktown, VA, to Port Canaveral, FL, it was redesignated from a reserve training ship (WTR) to a WMEC. As a result, reserve training was shifted to a smaller cutter. Other impacts were apparent when personnel were initially assigned on temporary duty to fill several of the Southeast United States' positions. Scheduling of cadet cruise cutters for operational law enforcement missions has resulted in more cutter days for drug law enforcement while providing effective training for cadets. We have no evidence indicating that other primary missions such as search and rescue (SAR), that rely on many of the same resources, have been adversely impacted by increased emphasis on drug interdiction in South Florida.

12. DESCRIBE THE INTERDICTION OPERATIONS INFORMATION CENTER (IOIC) IN MIAMI.

(a) WHAT AGENCIES PARTICIPATE AND AT WHAT LEVEL OF RESOURCES?

A: The following agencies participated in the IOIC, now known as the Operations Information Center, or OIC, and it is part of the Southeast Region, National Narcotics Border Interdiction System (NNBIS) Regional Center:

<u>AGENCY</u>	<u>NUMBER</u>	<u>RANK</u>
USCG	6	03/04/05
USN	4	03/04 or E8/E9
USAF	3	03/04 or E8/E9
DEA	4	GS-11/12
USCS	4	GS-11/12

(b) IS THE CENTER TEMPORARY OR PERMANENT?

A: The Center is permanent under the auspices of NNBIS.

(c) WHICH AGENCY IS IN CHARGE OF THE CENTER?

A: The Coast Guard is in charge of the OIC as the Commander, Seventh Coast Guard District, Miami, has been designated as the NNBIS Regional Coordinator for the Southeast Region.

(d) WHAT DOES THE CENTER DO?

A: Originally a part of the Vice President's Southeast U.S. Task Force, the OIC serves as a focal point for gathering, evaluating and disseminating pertinent information of tactical value to intelligence operations and all agencies with resources which are, or might be made, available to interdict drugs intended for the southeastern portion of the United States.

(e) TO WHAT EXTENT HAS INFORMATION GATHERED BY THE CENTER ASSISTED THE COAST GUARD AND OTHER PARTICIPATING AGENCIES INTERDICTING DRUGS AND APPREHENDING PERSONS INVOLVED IN THE SOUTH FLORIDA DRUG TRADE?

A: The information gathered by the OIC provides a much broader and very rapid mechanism for optimizing the use of available resources and information than existed prior to 1982. The OIC in Miami allows rapid coordination of the various law enforcement agencies and DOD resources to effectively track and interdict suspect vessels. The Coast Guard has been impressed with the results of the OIC concept as a key element of the new National Narcotics Border Interdiction System. Through the coordination attained by a joint center, the combined resources of all involved agencies are more effectively brought to bear on the smugglers. The OIC acts as a force multiplier and will continue to have an enhanced impact on the drug trafficking problem.

13. HOW WOULD YOU CHARACTERIZE THE DEGREE OF COOPERATION AMONG THE FEDERAL AGENCIES INVOLVED IN THE SOUTH FLORIDA TASK FORCE?

A: Interagency efforts in South Florida have been very good. By way of illustration, as of June 1983, the Coast Guard had assisted U. S. Customs in 23 cases in South Florida since the task force's inception in February 1982, resulting in 60 arrests, 16 vessels seized, 1 aircraft seizure, and over 84,160 pounds of marijuana, 1,184 pounds of cocaine and 18 pounds of hash being seized. The Coast Guard routinely transfers custody of seized vessels and much of the contraband to Customs upon arrival in port.

14. THE BRIEFING MATERIALS PROVIDED TO THE COMMITTEE PRIOR TO THE HEARING NOTE THE ESTABLISHMENT OF A TACTICAL LAW ENFORCEMENT TEAM (TACLET) IN MIAMI AS PART OF YOUR EXPANSION OF DRUG ENFORCEMENT EFFORTS IN THE SOUTHEASTERN UNITED STATES (SEUS).

(a) WHAT RESOURCES ARE COMMITTED TO THE MIAMI TACLET?

A: The TACLET has no capital equipment of its own. A 15 person team, consisting of four officers and eleven enlisted members is split into mobile, highly trained detachments of professional law enforcement personnel capable of providing a full range of maritime law enforcement services on short notice.

These special, multi-purpose teams deploy as:

1. Boarding party detachments aboard Navy ships.
2. Air observers on surveillance flights.
3. Training teams.
4. Custody crews.
5. Participants in interagency law enforcement operations.
6. Intelligence collection and dissemination teams (pre-deployment briefings/post-patrol debriefings).
7. Operational readiness inspectors.

(b) HOW EFFECTIVE IS IT?

A: The program has been very effective. They are the key that allows us effective utilization of Navy ships. Without them, the Navy would be hampered in their involvement in law enforcement actions. Since their establishment, the TACLETS aboard Navy units have seized 11 vessels, arrested 115 persons, and interdicted 412,222 pounds of marijuana. So far this year, these teams have been deployed aboard Navy vessels a total of 98 days. They have been aboard PHMs, minesweepers, LSTs, frigates, destroyers, cruisers, and aircraft carriers. They have efficiently provided a range of enhanced law enforcement capability from training P-3 aircrews in how to identify profile drug traffickers to keeping transiting Coast Guard, as well as Navy, units abreast of drug trafficking trends and ongoing special operations.

(c) WHERE ELSE ARE TACLETS ESTABLISHED?

A: We have detailed personnel to form a TACLET on the west coast to utilize the surface assets of the Navy's Pacific Fleet.

15. THE BRIEFING MATERIALS ALSO NOTE THE OPERATION OF LAW ENFORCEMENT DETACHMENTS (LEDETS) IN SOUTH FLORIDA.

(a) WHAT IS THE PURPOSE OF LEDETS AND HOW DO THEY OPERATE?

A: LEDETS were formed to provide additional U.S. Coast Guard boarding teams aboard Navy vessels.

(b) HOW DO THEY DIFFER FROM TACLETS?

A: Whereas LEDETS fulfill a very specific need for boarding capability and provide incidental training, the TACLETS involve more personnel (15 vice 5-8 for a LEDET) and provide a wider mix of professional capabilities. The TACLETS have intelligence specialists, special agents, and are under the leadership of a more senior officer. The TACLETS average experience level is higher and they are used as the experts to fill immediate needs for a wider range of activities including boardings (at least two 7-man teams), training (incidental and special) and expert witnessing, as well as those duties described in response to question #14.

(c) HOW MANY LEDETS ARE OPERATING IN SUPPORT OF THE SOUTH FLORIDA TASK FORCE?

A: There are presently two LEDETS - assigned to Key West, FL, and Roosevelt Roads, PR.

(d) WHAT RESOURCES ARE COMMITTED TO THE LEDETS?

A: The LEDETS have no capital equipment assigned them per se. They are assigned to Navy vessels during transits of high interest areas.

(e) HOW EFFECTIVE ARE THEY?

A: As stated previously for TACLETS, they have been very effective. Without the addition of the LEDETS, the use of Navy platforms for boardings would be restricted.

(f) WHERE ELSE ARE THEY ESTABLISHED?

A: We have a LEDET permanently assigned to San Francisco, CA. We have also detailed personnel to form a TACLET on the West Coast to further utilize the surface assets of the Navy's Pacific Fleet and other DOD resources.

16. IN YOUR TESTIMONY YOU MENTIONED THREE TUGBOATS YOU ARE OPERATING IN SOUTH FLORIDA THAT YOU ACQUIRED FROM THE NAVY.

(a) HOW MUCH MONEY DID YOU HAVE TO REPROGRAM TO FIX UP AND OPERATE THESE VESSELS?

A: No money was permanently reprogrammed to fix up and operate these vessels. \$5.8M was provided by Congress in FY 83 for safety and supportability renovations to keep these vessels operating for 5 more years.

(b) WHAT CUTS WERE MADE IN OTHER PROGRAMS OR ACTIVITIES TO OBTAIN FUNDS FOR THESE THREE VESSELS?

A: No cuts were made in other programs or activities.

NATIONAL NARCOTICS BORDER INTERDICTION SYSTEM (NNBIS)

17. WHAT IS COAST GUARD'S ROLE IN THE NATIONAL NARCOTICS BORDER INTERDICTION SYSTEM (NNBIS)?

A: Coast Guard involvement is extensive (see the attached tables). At the request of the Vice President a Coast Guard Captain has been provided to serve as the Director of NNBIS and, along with a second experienced law enforcement officer, to work on the NNBIS staff. The centers located in Miami, New Orleans, and Long Beach are headed by the local Coast Guard District Commander who holds the title of Regional Coordinator. Coast Guard Captains have been designated to serve as Deputy Coordinators for the centers in Chicago and New York. The Coast Guard has provided people to be members of the staff of all the centers.

NATIONAL NARCOTICS BORDER INTERDICTION SYSTEM (NNBIS)

Function/Command	MIAMI CCGD7	NEW ORLEANS CCGD8	LONG BEACH CCGD11	EL PASO CCGD8/11	CHICAGO CCGD9	NEW YORK CCGD3
Regional Coordinator	USCG	USCG	USCG	DEA	CUSTOMS	CUSTOMS
Deputy Coordinator	OTHER	OTHER	OTHER	OTHER	USCG	USCG
Staff Coordinator/PAO	* 1+0+0	* 1+0+0	* 1+0+0	* 1+0+0	OTHER	OTHER
Operations Information Center						
USCG	6+0+0	6+0+0	6+0+0	1+0+0	2+0+0	5+0+0
Intelligence Group						
USCG	1+0+2	1+0+2	1+0+2	1+0+1	1+0+2	1+0+2
Air Surveillance/Radar						
USCG	NA	NA	NA	NA	NA	NA
Area/District Liaison						
	2+0+0	2+0+0	2+0+0	NA	1+0+0	1+0+0
TACLET						
	4+1+10	NA	4+1+10	NA	NA	NA
Regional Center Billets						
	14+1+12	10+0+2	14+1+12	2+0+1	4+0+2	7+0+2
Sub-Total Regional Staffs						
NNBIS Washington Staff	51+2+31					
Sub-Total	2+0+0					
Support and Training	53+2+31					
	10+0+6					
Total	63+2+37					

* Numbers are in format representing:

Officers - left most number

Warrant Officers - center number

Enlisted - right most number

18. WHO DETERMINES THE LEVEL OF COAST GUARD PARTICIPATION IN NNBIS?

A: The level was based on an agreement between Admiral Murphy and the Commandant.

19. WITH THE COMMITMENT OF RESOURCES YOU HAVE MADE IN SOUTH FLORIDA, DO YOU HAVE SUFFICIENT ASSETS TO MOUNT MAJOR INTERDICTION EFFORTS IN OTHER AREAS? IF NOT, WHAT RESOURCES WILL YOU NEED TO PARTICIPATE EFFECTIVELY IN NNBIS AND HOW DO YOU PLAN TO OBTAIN THESE RESOURCES?

FOR EXAMPLE, IN YOUR TESTIMONY, YOU SAID YOU NEED ADDITIONAL LONG-RANGE SEARCH AIRCRAFT IF THE NNBIS STRATEGY CALLS FOR TRANSIT ZONE SURVEILLANCE UP BOTH COASTS. YOU ALSO INDICATED THERE WERE A WHOLE RANGE OF STRATEGIES THAT COULD BE USED, AND YOUR RESOURCE NEEDS WOULD DEPEND ON THE OPTIONS CHOSEN. TELL US THE RESOURCES YOU WOULD NEED UNDER THE VARIOUS SCENARIOS THAT COULD BE ADOPTED. WHICH ALTERNATIVES ARE YOU RECOMMENDING TO THE VICE PRESIDENT?

A: The evolution of the South Florida Task Force caused the diversion of many of our resources from other areas of the country. Since then, although we are able to meet our mission requirements in these other areas, we could not support simultaneous major interdiction efforts elsewhere.

The resources required by the Coast Guard to achieve a substantial increase in drug interdiction depend upon the overall strategy utilized and the degree of interdiction desired to be accomplished. This is an Administration determination. My goal to date has been to make the most effective use of existing resources provided by the budget to accomplish all assigned Coast Guard missions.

Most seaborne narcotics originate in South America and depart from the North Coast of Colombia, along the Guajira Peninsula. After departing the Colombian coastline the smugglers sail north, passing through one of the Caribbean "choke points" (geographic constrictions which tend to concentrate marine traffic into narrow, clearly-defined channels). Others may sail eastward through the Lesser Antilles and then northward in order to avoid the choke points. The smugglers then proceed toward the Bahamas or Florida, though some will continue north, offloading along the East Coast of the U.S. Other smugglers depart from the Pacific Coast of Colombia and make deliveries to the U.S. West Coast. Vessels making this journey are generally classified as "motherships" (nondescript freighters and fishing vessels from 60 to 200 feet in length that carry multi-ton cargoes of narcotics).

The Coast Guard's maritime drug enforcement strategy is focused towards these motherships while they are still located on the high seas far from the U.S. coast, where quantities interdicted are generally large and the traffic lanes more predictable. Air surveillance and surface patrols, coupled with good intelligence and vessel boardings, are the key elements of success in this type of operation. Our overall strategy divides the maritime area between source countries and the U.S. into three separate zones and establishes different goals in each zone. These zones are as follows:

(Question #19 Cont'd)

- Departure Zone - area adjacent to the coast of the source country where transshipment from land to water transportation occurs, and smugglers depart for the U.S.
- Transit Zone - the central Caribbean area which includes the choke points and open waters of the Atlantic and Pacific.
- Arrival Zone - Coastal area adjacent to the U.S., where transshipment to contact boats occurs, and the final smuggling attempt into the U.S. takes place.

In the Departure Zone, our primary goal is to identify smugglers prior to their departure, so that cutters patrolling further north can be alerted to their predicted arrival times in the choke points or at other points. The intelligence necessary to accomplish this can be gathered from a wide variety of sources. Primary goals within the Transit Zone are to relocate potential smugglers once they have departed the South/Central American coast, and to physically intercept and interdict them. Goals within the Arrival Zone are to interdict the motherships that safely passed through the Transit Zones, as well as the contact boats seeking to meet them off the U.S. coast.

The only way to accomplish these goals is to have aircraft to provide intelligence and to locate targets; and to have surface craft to stop them, provide boarding parties, seize errant vessels, provide custody crews for seized vessels, and to tow or escort them to the U.S. for legal actions. Intelligence collection and analysis has been improving, and the coordination, through NNBIS, should continue to improve this area as well as provide for better resource utilization. If major initiatives are to be undertaken outside SEUS, additional resources of types appropriate to the strategy will have to be made available.

COAST GUARD/CUSTOMS COORDINATION

20. CUSTOMS AND COAST GUARD SHARE MAJOR RESPONSIBILITIES FOR INTERDICTION OF DRUG SMUGGLING.

(a) HOW DO THE TWO AGENCIES COORDINATE THEIR DRUG INTERDICTION ACTIVITIES?

A: To best describe the inter-relationship between Customs and Coast Guard, it must first be realized that we have differing areas of jurisdiction, with an overlap occurring only within the 12 mile Customs Zone (within this 12 mile zone, the Coast Guard exercises concurrent jurisdiction with the Customs Service). The Coast Guard is the nation's primary maritime law enforcement agency being charged with the enforcement of all U.S. law on the high seas and waters subject to the jurisdiction of the U.S. (14 U.S.C. 2). As this nation's front line defense against maritime drug trafficking, the Coast Guard attempts first to interdict vessels on the high seas outside the inshore Customs Zone. We do coordinate our actions with DEA and Customs at local, regional, and national levels through many coordinating bodies such as, local Law Enforcement Coordinating Committees (LECC's) up through the Oversight Working Group chaired by the White House Drug Abuse Policy Office. Formal mechanisms now exist through the six National Narcotics Border Interdiction System (NNBIS) Regional Centers in Miami, New Orleans, Long Beach, El Paso, Chicago and New York, where information is freely exchanged toward a common goal.

(b) ARE YOU SATISFIED THAT THE COOPERATION BETWEEN CUSTOMS AND COAST GUARD IS ADEQUATE?

A: Yes, both agencies strive diligently to continue cooperation at the highest level.

(c) HOW WELL HAVE THESE TWO AGENCIES WORKED TOGETHER IN SOUTH FLORIDA?

A: Interagency efforts in South Florida have been very good. The Coast Guard routinely transfers custody of seized vessels and much of the contraband to Customs upon arrival in port. We support Customs requests for assistance within the resources we have available. We work together in operating the NNBIS regional center in the Southeast United States.

(d) WHAT PROBLEMS DO YOU FORESEE IN COORDINATING CUSTOMS' AND COAST GUARD'S ROLES IN NNBIS?

A: Based on our prior track record of interagency cooperation including our mutual efforts in the Southeast United States, I fully expect our cooperative efforts to continue with no significant problems stemming from NNBIS.

INTERDICTION OF AIRBORNE DRUG TRAFFICKING

21. WHAT ADDITIONAL CAPABILITY WOULD COAST GUARD AIRCRAFT NEED TO INTERCEPT AIRBORNE DRUG SMUGGLING? HOW MUCH WOULD THIS CAPABILITY COST?

A: The primary contribution feasible from existing Coast Guard aircraft is early (over the high seas) detection of inbound aircraft. The other aspects of air interdiction would require our planes to leave a search area, thus detracting from the overall surveillance effort. To detect aircraft Coast Guard planes would have to be equipped with suitable air-search radar, preferably with 360 degree detection capability. I don't know the feasibility of adding such equipment to our present aircraft, nor do I know the cost (until suitable equipment is identified). The new APS-134 forward-looking airborne radars (FLAR) we are now buying are surface-search radars with very limited aircraft detection capability. They cost \$2.3M per unit.

22. COULD AIR INTERDICTION RESPONSIBILITIES BE INTEGRATED EASILY INTO YOUR CURRENT MISSION?

A: Interdicting air smugglers involves several aspects: detection, identification, intercept, tracking and apprehension after landing. The detection aspect offers the most promise for a significant Coast Guard contribution, though in selected cases we might also identify, intercept and track incoming aircraft. With appropriate application of resources and availability of equipment the detection capability could be integrated without significant impact on our maritime missions... and probably with some benefit to them.

23. FROM THE STANDPOINT OF EFFECTIVENESS OF THE NATION'S DRUG INTERDICTION STRATEGY, WHAT DO YOU SEE AS THE ADVANTAGES AND DISADVANTAGES OF INVOLVING THE COAST GUARD IN AIR INTERDICTION ACTIVITIES?

A: The primary advantage of involving the Coast Guard in air interdiction stems from the fact that we are already heavily involved at sea, along the air and surface smuggling routes, which often coincide, especially in the choke points. To the extent that our ships and aircraft could be modified to include an air surveillance and detection capability we would be adding to the national effort at a relatively small marginal cost. Our effort would complement that provided by DOD agencies under the NNBIS umbrella and would provide a cost effective addition to the total effort by taking advantage of our experience and operations and logistics infrastructure. It would also provide additional resources for national security contingencies.

One disadvantage to our involvement lies in the fact that our myriad missions, plus our present surface interdiction effort, have fully engaged all available ships and aircraft. There is some danger that an emphasis on air interdiction could detract from our success in the surface drug interdiction mission or from any or all of the other missions which our units currently perform.

Since our aircraft are not currently configured for air detection capability, another disadvantage of our getting significantly involved in the air interdiction program would be the cost of appropriate equipment. However, if it were to be decided to provide such resources to another agency anyway, an argument could be made that Coast Guard application of them would be more cost effective...since we already have long-range air search capability, know-how, and support infrastructure...and can blend the added ability to our national security readiness mission as well.

24. WHAT ROLE WOULD YOU RECOMMEND FOR COAST GUARD IN AIR INTERDICTION, OR DO YOU BELIEVE AIR INTERDICTION SHOULD REMAIN THE PRIMARY RESPONSIBILITY OF THE U.S. CUSTOMS SERVICE?

A: Both the Coast Guard and the U. S. Customs Service have appropriate complementary roles in air interdiction. We presently conduct long range air surveillance patrols in support of a variety of Coast Guard missions. Search and Rescue, Marine Pollution Prevention and Law Enforcement all require aerial surveillance. At present we do not have sufficient numbers of aircraft to devote any entirely to the air smuggling interdiction effort. If it were to be decided to provide additional resources to the effort, we would first enhance our capability to search for airborne smugglers while on patrol over the high seas by fitting our fixed wing aircraft and surface units with enhanced sensor devices. If additional suitably equipped aircraft and operating funds and personnel were provided, they would be used in a multi-mission mode, including national security efforts, as are all Coast Guard resources.

25. WHAT INCREASES DOES YOUR BUDGET FOR 1984 INCLUDE FOR DRUG LAW ENFORCEMENT. ARE ANY OF THESE INCREASES FOR AREAS OTHER THAN SOUTH FLORIDA?

A: Direct program increases in the 1984 budget for drug enforcement are (asterisked [*] items are not limited to South Florida area):

- Operate and provide support for 3 surface effect ships - Complete OE funding (\$4.2M/43 personnel).
- * - Provide personnel to augment EL Paso Intelligence Center (EPIC) and personnel and dollars to man and upgrade the staffing of the radar site at Cudjoe Key (\$2M/17 personnel).
- * - Augment intelligence Staff - (\$195K/10 personnel).
- * - Augment 82' patrol boats (WPB) to provide greater enforcement of laws and treaties (ELT) capability (\$313K/17 military).
- * - Procure stabilized binoculars/night vision scopes for vessels and aircraft to improve surveillance (\$900K).
- Augment stations/bases/groups with ELT trained petty officers (\$347K/24 personnel).
- Continue full year operation of 3 former Navy tugs (UTE, LIPAN, ESCAPE) with recurring funds.
- * - Begin Research and Development (R&D) analysis to identify drug smuggling trends and their causes and effects (\$150K).

Total direct program enhancements include: \$10.1M and 245 personnel.

In addition, the 1984 Budget shows the following multi-mission program enhancements which will benefit drug interdiction activities throughout other areas as well as South Florida:

- * - Operate two new 270' WMECs and provide support (\$2.4M/125 personnel).
- * - Operate final 5 of 41 HU-25 medium range aircraft (\$3.8M/39 personnel).
- Provide Omega navigation equipment for HU-25A aircraft operated in the Caribbean (\$400K).
- * - Vessel/aircraft AC&I acquisition/modifications that enhance ELT capability include:

Acquisition Periods

- 270' (WMEC)	FEB 83 - JAN 89
- 378' (FRAM)	AUG 84 - MAY 90
- 210' (MMA)	OCT 84 - JUL 89
- HU-25 Aircraft	FEB 82 - MAR 84
- HH-65A Helicopters	FEB 83 - JUN 87
- C-130 (PILOC)	MAY 83 - AUG 85
- C-130 (FLAR)	OCT 85 - SEP 91
- FLIR (Light Weight)	JUN 84 - SEP 84
- HH-65A (FLIR)	MAR 86 - SEP 88
- WPB's	JAN 84 - JAN 86

26. YOUR ORIGINAL BUDGET REQUEST FOR 1984 INCLUDED \$57 MILLION MORE FOR OPERATING EXPENSES AND \$300 MILLION MORE FOR ACQUISITION, CONSTRUCTION AND IMPROVEMENTS THAN REQUESTED IN THE PRESIDENT'S BUDGET. HOW DID YOU PLAN TO SPEND THE FUNDS THAT WERE CUT FROM YOUR BUDGET REQUEST? WHAT IMPACT WILL THESE CUTS HAVE ON YOUR DRUG ENFORCEMENT PROGRAM?

A: The Coast Guard initial Operating Expenses request was actually reduced by \$82.2 million. The reductions are categorized as Coast Guard initiated reductions involving slippages and revised requirements (\$12.7M) and DOT/OMB reductions and adjustments (\$26.2M). These reductions are itemized below:

<u>Items</u>	<u>Amount(\$000)</u>
Coast Guard Initiated:	
Slippages.....	\$26,221
Revised requirements.....	\$12,728
Total Coast Guard Initiated.....	\$38,949
DOT/OMB Reductions:	
Permanent change of station moves.....	\$ 3,500
Headquarters staff.....	275
Training.....	557
Continue operation of 327-foot WHEC.....	1,300
Training support Yorktown.....	330
Surface effect ship follow-on.....	399
COMDAC support equipment follow-on.....	1,045
Marine safety information systems equipment follow-on.....	474
Minicomputer operations follow-on.....	712
Maritime defense zone staff.....	110
Readiness planning staff.....	114
Cordova interim facility.....	314
OMEGA navigation support (Caribbean).....	462
Poly-chlorinated Biphenyls (Toxic standards).....	2,500
Ship maintenance parts.....	7,762
*Improve law enforcement operations.....	862
Lighthouse maintenance.....	639
Systems maintenance engineering.....	482
Shore facility maintenance.....	12,275
Electronic maintenance WHEC/WMEC.....	4,081
Polar icebreaker maintenance.....	2,275
Enforcement of laws and treaties detection devices.....	2,491
*Augment 82-foot WPB.....	111
Miscellaneous items under \$100,000 each.....	246
Total DOT/OMB Reductions.....	\$43,316
Total Reduction.....	\$82,265

* Items with impact on the drug enforcement program. The two reductions indicated have a limited affect on the law enforcement mission. The first, improve law enforcement operations, forced law enforcement improvements to be stretched out over a longer period of time than desired. The second, augment 82-foot WPB, has the most affect in that it was a reduction in the number of personnel used to man the 82-foot patrol boats thus causing less at-sea time.

The following pages show how funding for the \$300 million additional would have been spent. No AC&I reductions had a direct impact on the Coast Guard's law enforcement mission.

DEPARTMENT OF TRANSPORTATION
U. S. Coast Guard
Fiscal Year 1984
Acquisition, Construction, and Improvements
(\$000)

<u>PROJECT</u>	<u>USCG REQUEST</u> <u>TO OST</u>	<u>OST REQUEST</u> <u>TO CMB</u>	<u>PRESIDENT'S</u> <u>BUDGET</u>
I. Vessels:			
A. Acquire vessels and equipment:			
1. 270-foot Medium Endurance Cutter (WMEC) Procurement.....	72,000 ^{1/}	14,000	14,000
2. 110-foot Tug (WTH) Replacement.....	32,800	32,800 ^{2/}	...
3. 55-foot Buoy Boat (AMB) Procurement.....	11,133	5,600	5,600
4. Ship Training Detachment (STD) Replacement....	1,600	1,600	1,600
5. Three River Tenders (WLR) for Second Coast Guard District.....	14,650	...	...
6. Cable Boat Replacement.....	10,200	...	...
7. Academy Navigation Simulator.....	2,780	2,780	2,780
B. Repair, Renovate, or Improve Existing Vessels and Small Boats:			
1. 378-foot High Endurance Cutter (WHEC) - Fleet Renovation and Modernization (FRAM).....	111,000	41,000	23,938 ^{3/}
2. 210-foot Medium Endurance Cutter (WMEC) - Mid-life Maintenance Availability (MMA)	24,000	24,000	24,000
3. Seagoing Buoy Tender (WLB) Service Life Extension Project (SLEP).....	61,000	19,285	19,285 ^{4/}
4. Inland Construction Tender (WLIC) Barge Extension.....	2,450	2,450	2,450
5. USCGC PRINCEBARGE Barge Modifications.....	460	460	460
Subtotal, Vessels and Small Boats.....	344,073	143,975	94,113

^{1/} Revised downward by Coast Guard to \$14,000K due to lower than anticipated contract escalation costs.

^{2/} One replacement vessel subsequently funded in FY 1983 (\$17.5 million).

^{3/} Additional \$8.0 million to be funded by Navy.

^{4/} Two buoy tender SLEPS subsequently added in FY-1983.

Acquisition, Construction, and Improvements (cont'd)

PROJECT	USCG REQUEST TO OST	OST REQUEST TO OMB	PRESIDENT'S BUDGET
II. Aircraft:			
A. Acquire New Aircraft and Increase Aviation Capability:			
1. Medium Range Search (MRS) HU-25A - Support....	8,340	7,894	7,894
2. Procure Short Range Recovery (SRR) Helicopters (HH-65A).....	41,390	41,390	41,390
3. Maintain Long Range Search Capability - Ph II.	64,500	67,600	67,600
4. Automatic Test Equipment for Avionics Repair Facility - Ph III.....	573	573	573
5. HU-25A Sensors - AIREYE Integration.....	18,981	18,981	18,981
6. HC-130 Forward Looking Airborne Radar (FLAR)...	2,000	2,000	2,000
Subtotal, Aircraft.....	135,784	138,438	138,438
III. Shore Facilities and Aids to Navigation:			
A. Acquire, Repair, Replace, Renovate, Improve and Support Existing and Future Shore Based Facilities and Aids to Navigation:			
1. Support Center Kodiak - Administrative Center.	12,860	...	...
2. Minor AC&I Shore Construction Projects.....	12,500	9,170	9,170
3. Waterways Aids to Navigation Projects.....	10,000	7,500	7,500
4. Relocate the Gulf Strike Team (GST).....	3,758	3,758	3,758
5. Training Center Petaluma - Construct General Classroom Building.....	9,500	9,500	9,500
6. Lighthouse Automation and Modernization program (LAMP).....	7,700	3,800	3,800
7. Remote Operating Systems (ROS) for LORAN Stations.....	2,200	2,200	2,200
8. Air Station Borinquen Expansion.....	1,085	1,085	1,085
9. Air Station Cape Cod Hangar Construction.....	2,500	4,000	4,400
10. Minor Aids to Navigation Solar Power Conversion.....	2,600	2,600	2,600
11. Cape Cod Medical Clinic.....	4,050	4,050	... ^{1/}

^{1/} Subsequently funded in FY 1983.

Acquisition, Construction, and Improvements (cont'd)

PROJECT	USCG REQUEST TO OST	OST REQUEST TO OMB	PRESIDENT'S BUDGET
12. Training Center Petaluma - Construct Student Officer and Chief Petty Officer Quarters.	5,344	3,900	3,900
13. Pensacola, FL - Rebuild Station.....	4,650	4,650	4,650
14. Solid State Transmitters - Site Preparation..	1,800	1,800	1,800
15. Communications Station Kodiak - Equipment Replacement.....	7,455	7,455	7,455
16. Base Galveston - Replace Industrial Facility.	6,964	6,964	6,964
17. Marine Safety Office (MSO) Delaware River Basin Facilities - Ph I.....	6,461	6,461	... 2/
18. Venice, LA - Establish Station.....	3,000	3,000	3,000
19. Public Family Quarters.....	7,174	7,174	7,174
20. Aids to Navigation Facility (ANFAC) Peoria - Update Operational Facilities.....	1,598	...	...
21. Expand ADP Capability.....	7,000	9,000	9,000
22. Communications/Radio Station High Frequency (HF) Transmitters.....	3,200	3,200	3,200
23. Command, Display, and Control (COMDAC) Support Facility - Ph II.....	2,200	2,200	2,200
24. Rebuild Station and Group New York.....	1,890	1,890	1,890
25. Winchester Bay, OR - Expand Station Umpqua River.....	2,805	2,805	2,805
26. Rebuild Station Curtis Bay.....	2,080	2,080	2,080
27. Base Honolulu Bulkhead and Wharf - Ph I.....	680	680	680
28. Base Charleston - New Shops and Paint/Blast Facility.....	3,802	3,802	3,802
29. Establish Station Crisfield.....	2,430	2,430	2,430
30. Coast Guard Yard - Sewer Main Connection.....	1,200	1,200	1,200
31. Air Station Barbers Point Corrosion Control Building.....	665	665	665
32. Cordova Seasonal Search and Rescue (SAR) Facility.....	3,500	3,500	3,500

Acquisition, Construction, and Improvements (cont'd)

PROJECT	USCG REQUEST TO OST	OST REQUEST TO OMB	PRESIDENT'S BUDGET
33. Support Center New York - Logistics Support Facility - Ph III.....	1,200	1,200	1,200
34. Establish Station Gulfport.....	3,900	3,900	3,900
35. Improve Station Sandy Hook.....	700	700	...
36. Generator Sets for LORAN Stations Attu and St. Paul, AK.....	1,500	1,500	...
37. Support Center Elizabeth City - Acquire Clear Zones.....	1,068	...	...
38. Station Humboldt Bay Waterfront Facilities...	1,450	1,450	1,450
39. Support Center Boston Development - Ph II....	6,574	6,574	... ^{1/}
40. Support Center Boston Development - Ph III...	6,080	6,080	...
41. Support Center New York - New Fire House....	1,307	1,307	1,307
Subtotal, Shore Facilities and Aids to Navigation.....	168,430	145,230	120,265
IV. Administration and Survey and Design:			
A. Administration and Engineering Logistics.	30,053	19,124	19,124
B. Survey and Design of Various Facilities..	6,660	6,660	6,660
Subtotal, Administration and Survey and Design.....	36,713	25,784	25,784
SUMMARY AC&I:			
Subtotal Vessels and Small Boats.....	344,073	143,975	94,113
Subtotal Aircraft.....	135,784	138,438	138,438
Subtotal Shore Facilities/Aids to Navigation..	168,430	145,230	120,265
Subtotal Administration and Survey and Design.	36,713	25,784	25,784
TOTAL.....	685,000	453,427	378,600

^{1/} Subsequently funded in FY 1983.^{2/} Congressional Add-on

27. YOU TESTIFIED THAT THE PROCUREMENT PROCESS IS LONG AND INVOLVED WITH 3-4 YEARS REQUIRED TO BRING A NEW SHIP ON LINE. DO YOU HAVE ANY SUGGESTIONS FOR EXPEDITING THE PROCUREMENT PROCESS?

A: The length of the procurement process consists of several phases including identification of mission needs and platform requirements, design, obtaining AC&I funding through the budget, the bidding and contractual review phase, award of contract, and actual construction following award of the contract. Of these, the budget process may take as long as a year. The contract award process, from preparation of the solicitation and preparation, evaluation and analysis of proposals to the award of the contract takes 8 to 11 months. The procurement phase (8 to 11 months) could be reduced by specific congressional action to permit the Coast Guard to negotiate with a selected source, without advertising, for procurements in support of law enforcement activities.

28. HOW MUCH DID THE COAST GUARD PAY FOR EACH OF THE NEW SES'S OPERATING IN FLORIDA? WHAT DOES IT COST TO OPERATE THESE SHIPS FOR A YEAR?

A: The Coast Guard paid the contractor \$5 million for each of the first two SES's, \$3.75M for the third and \$250,000 for initial spares. Each SES is expected to have direct costs (such as fuel, etc.) of about \$975,000 annually.

29. HOW EFFECTIVE HAVE THE SES'S BEEN IN INTERDICTING DRUG SMUGGLING? IS THE COST OF THESE SHIPS JUSTIFIED BY THE RESULTS YOU HAVE BEEN ABLE TO ACHIEVE?

A: Their primary impact, as for any law enforcement resource, is their deterrent value, which for any law enforcement activity remains difficult if not impossible to quantify. Any effort to correlate the cost of the SES's with pounds of contraband seized or people arrested provides a poor measure of effectiveness. Recognizing this, I can provide some related accomplishments of the SES's. During their first 7-1/2 months of operation, the cutters SEA HAWK and SHEARWATER made nine seizures amounting to over 38,000 pounds of marijuana and 23 persons were arrested. While these are not extraordinary results, I feel they are not indicative of the SES's true potential. After the SES's were commissioned in November, 1982, it took several months of experimentation to determine a suitable operating concept. We are pleased with the preliminary results of these vessels, which were pressed into Coast Guard service in very short order, and we will continue to experiment to best use their capabilities. We believe their cost will be more than justified by the results.

30. IN YOUR OPINION, COULD THE COAST GUARD DEVOTE MORE RESOURCES AND MANPOWER TO CURTAILING DRUG SMUGGLING WITHOUT ADVERSELY AFFECTING PERFORMANCE OF YOUR OTHER RESPONSIBILITIES?

A: No. I do not believe that reprogramming to provide additional resources or manpower for curtailing drug smuggling could be done without serious detrimental effects on the performance of our other responsibilities. The temporary reprogrammings required during the South Florida Task Force build-up and initial Haitian Migrant Interdiction Operations (HMIO) efforts caused shortages and hardships throughout the Coast Guard. The resources obtained during the last few years have been used to either replace older, uneconomical facilities, or to further supplement the Task Force. The Coast Guard will continue to dedicate facilities acquired in the future to performance or support of drug interdiction missions to the extent they are capable.

PROGRAM STANDARDS AND PERFORMANCE

31. (a) WHAT PROGRAM STANDARDS HAVE YOU DEVELOPED TO MEASURE THE SUCCESS OF YOUR DRUG ENFORCEMENT MISSION?

A: The Coast Guard does not unilaterally establish standards. The Administration sets these as a product of the Federal Strategy. Coast Guard efforts are based on maximizing the probability of detection within our current assets, both aviation and surface, and then maximizing our probability of intercept of smuggling vessels. The South Florida Task Force on Crime earlier this year estimated that the task force efforts were intercepting 25 to 30 percent of the total maritime tonnage of marijuana shipped by sea. The results of a CIA study in 1982 projected that an interdiction level of a little over 70 percent would make maritime shipments economically infeasible. This must be done in conjunction with increased enforcement elsewhere because unilateral Coast Guard action would simply force smugglers to other sources and transportation modes.

(b) ARE YOU MEETING THESE STANDARDS?

A: There really are no established standards. However, FY 83 seizures have shown a decline. This would seem to indicate that in-so-far-as the maritime part of the coordinated strategy is concerned we are having a deterrence effect. We are having difficulty, however, in measuring this effect because intelligence sources tell us the 1982 crop was not good. Since the 1983 crop is forecast to be better, we expect more will be available for shipment.

32. YOU TESTIFIED THAT YOU AIM TO HAVE YOUR MEDIUM AND HIGH ENDURANCE CUTTERS OPERATING AWAY FROM HOMEPORT 185 DAYS A YEAR.

(a) IS THIS STANDARD SUFFICIENT FOR YOU TO PERFORM YOUR DRUG ENFORCEMENT MISSION?

A: No, it is not sufficient. The 185 day "standard" is an average for planning purposes used also by the Navy, which is not or cannot be applied on a unit-by-unit basis year to year because of varying schedules for training, maintenance, special projects, etc. It's more of a program goal which translates to a "standard", therefore, we need to look at cutter operations in the aggregate and focus on major reasons for some not "operating" up to the 185 day level. The 185 days away from homeport (AFHP) goal is limited by the necessity of adequate inport maintenance, supply requirements and a reasonable quality of life standard for our personnel and their families without adversely affecting unit operations. Due to yard availabilities AFHP time may exceed this level. AFHP days are not a true measure of operational days since they include yard availabilities, training periods and transit days. The levels of operational days necessary to achieve desired drug enforcement standards are addressed in response to questions 31, 35 and 36.

(b) HAVE YOU BEEN ABLE TO MEET THE STANDARD? IF NOT, WHAT LEVEL OF CUTTER OPERATIONS ARE YOU MAINTAINING, AND WHAT ADDITIONAL RESOURCES DO YOU NEED TO MEET THE 185 DAYS/YEAR STANDARD?

A: We have not been able to meet the standard consistently primarily due to the increased maintenance required of our older resources. During the last 3 years my high and medium endurance cutters have averaged 166 days AFHP. In order to consistently reach the 185 day AFHP level, the same factors which are cited below, concerning increased operating levels (above 185 days AFHP), must be considered.

(c) WHAT IS THE PRIMARY IMPEDIMENT TO AUGMENTING YOUR CURRENT STANDARD ABOVE 185 DAYS/YRS, E.G., LACK OF CREW AVAILABILITY, NEED FOR MAINTENANCE, ETC? DO YOU HAVE ANY ESTIMATES OF WHAT IT WOULD COST TO INCREASE YOUR CUTTER OPERATING DAYS ABOVE 185 DAYS/YEAR?

A: The practical limitations of what it takes to keep a cutter operational balances training and maintenance needs in an effort to meet long range goals. For short periods, such as the Cuban Exodus of 1980, maintenance and training can be deferred, but as we soon found out, they had to be restored in order to maintain satisfactory operational expertise. Going above 185 days AFHP, and in some cases, attaining 185 days AFHP, requires more effective maintenance, better availability of spare parts and materials, and higher equipment reliability. These are directly related to having trained personnel readily available to achieve reasonable personnel standards and would require augmented crewing, increased shore support facilities for maintenance and berthing, and increased training available for assigned personnel. Cost estimates are not available at this time.

33. (a) HOW MUCH TIME DO YOUR CUTTERS AND AIRCRAFT SPEND IN MAINTENANCE EACH YEAR?

A: Maintenance time (%)

	<u>FY80.</u>	<u>FY81</u>	<u>FY82</u>	<u>1st Qtr 83</u>	<u>2nd QTR 83</u>
Cutters	58.3	57.79	56.78	54.57	57.97
Aircraft	33.95	33.55	34.69	33.57	32.91

(b) DO YOU HAVE ANY SUGGESTIONS TO REDUCE THE AMOUNT OF TIME SPENT ON MAINTENANCE?

A: Maintenance is affected not only by support capability, but by the facility aging process - typically, the older the facility, the more time it requires for maintenance. Although not easy to accurately define, all facilities reach the point where replacement or renovation is the only proper way to avoid excessive maintenance costs and/or time lost to unexpected repairs - all of which impacts on any established goal or standard. Present plans call for replacement of old cutters with new FAMOUS class cutters, FRAM of 378' WHEC's, midlife maintenance availability (MMA) for 210' WMEC's, clustering of cutters in the same homeports, increased use of maintenance assistance teams (MATS), increases in maintenance funds at the unit level, use of improved technology to increase the time between major yard availabilities and overall logistics capabilities improvement. Better and increased use of computer technology to assist field level maintenance managers should improve supply system response and acquisition of spare parts.

34. (a) HOW MUCH TIME DO YOUR CUTTERS AND AIRCRAFT SPEND IN A STANDBY STATUS EACH YEAR?

A: Standby Status Time (%)

	<u>FY80</u>	<u>FY81</u>	<u>FY82</u>	<u>1st QTR 83</u>	<u>2nd QTR 83</u>
Cutters	12.48	20.48	11.71	13.22	12.65
Aircraft	30.53	29.76	29.75	31.24	31.41

(b) DO YOU HAVE ANY SUGGESTIONS TO REDUCE THE AMOUNT OF STANDBY TIME?

A: Standby is what we call keeping a unit in a high state of readiness to respond within a certain period of time (e.g., 1 hour) to any urgent or high priority mission. It is also based on the probability of occurrence of SAR or other missions. Routine standby status for high and medium endurance cutters was eliminated several years ago due to the need for more dedicated maintenance time, lower probability of need for a response far offshore and the cost of keeping them in a high readiness status which precluded accomplishment of essential maintenance. High and medium endurance cutter standby periods are now limited to periods of logistics (i.e., mid-patrol port calls) and training (i.e., refresher training inport periods). However, aircraft standby is predicated upon emergent search and rescue (SAR) response needs and cannot be reduced without adverse effect on our SAR posture.

35. YOU ESTIMATE THAT YOU ARE PRESENTLY INTERDICTING 25-30 PERCENT OF THE SEABORNE MARIJUANA TRADE.

(a) IS THIS RATE OF INTERDICTION HIGH ENOUGH TO HAVE A SIGNIFICANT ECONOMIC EFFECT ON THE TRAFFICKERS AND TO SIGNIFICANTLY CURTAIL THE SUPPLY OF MARIJUANA TO THE UNITED STATES?

A: That's an extremely difficult question to answer in reality since the availability of marijuana in the U.S. is dependent upon a large number of variables, including domestic production, amounts shipped by other modes, and demand for the marijuana. We believe every seizure is meaningful in reducing usage, and is providing a deterrent. The 1982 CIA study indicated that a higher rate of interdiction is necessary to make shipments uneconomical. Judging by what we are seeing (efforts to avoid our units, concealed cargoes, etc.) we appear to be having an impact. NNBS coordinated efforts should increase that impact and the increased conviction penalties I mentioned earlier will help too.

(b) IF NOT, WHAT RATE OF INTERDICTION WOULD YOU NEED TO ACHIEVE THESE RESULTS? IS THIS A REALISTIC GOAL. WHAT ADDITIONAL RESOURCES WOULD YOU NEED AND HOW MUCH WOULD IT COST?

A: The CIA study estimates a 70 percent interdiction role is needed to have a significant economic effect on maritime drug traffickers. To reach this level of interdiction would require a coordinated federal interdiction strategy which addresses all modes of transportation and insures all available intelligence is effectively utilized. I have taken steps to improve the flow of strategic and tactical intelligence to facilitate our maritime interdiction efforts. Coupling this with my best estimate of the value of our intelligence efforts, to achieve the 70 percent interdiction level will require additional aircraft, helicopters and sensor systems to provide intelligence and to locate targets; cutters to stop, board and take law enforcement action against suspected vessels; shuttle vessels to provide custody crews for seized vessels and to tow or escort them to the U.S. for legal action. The costs could be in the range of \$500M to \$1100M for capital investment and \$200 to \$10M a year in operating maintenance funds.

36. THE BRIEFING MATERIALS PROVIDED TO THE COMMITTEE PRIOR TO THE HEARING STATE: "THE DOUBLING AND TRIPLING OF INTERDICTION RATES REPRESENT REALISTIC GOALS FOR SERIOUSLY DISRUPTING MAJOR SMUGGLING OPERATIONS AND MATERIALLY REDUCING THE INCENTIVE FOR MARITIME SMUGGLING."

(a) IS THIS STATEMENT PREDICATED ON YOUR CURRENT INTERDICTION RATE OF 25-30 PERCENT?

A: It is based on our current rate and the rate the CIA study shows as having a significant effect.

(b) HOW DO YOU PROPOSE TO DOUBLE OR TRIPLE YOUR INTERDICTION RATE?

A: We can achieve this higher interdiction rate using a coordinated zone strategy in each of three zones. This effort must include increased levels of intelligence from the area of departure and transit areas, a coordinated surveillance and surface patrol effort in the Caribbean passes and other approaches to both coasts, and coastal patrol in response to intelligence. This interdiction effort must be part of a coordinated federal interdiction addressing all modes of transportation. The response to question 19 also addresses this.

(c) WHAT WILL YOU NEED IN THE WAY OF ADDITIONAL RESOURCES?

A: Assuming we receive a substantial amount of quality smuggling intelligence, a less resource intensive effort should be possible. We estimate that with the additional resources and personnel previously discussed in question #35, the Coast Guard can achieve the 70 percent interdiction level.

INTELLIGENCE

37. PLEASE DESCRIBE THE WORKINGS OF THE INTER-AMERICAN MARITIME INTELLIGENCE NETWORK.

- A: The Inter-American Maritime Intelligence Network (IAMIN) was developed in mid-1979 to help fill a void in the Coast Guard's at-sea collection system for the location of vessels suspected of being engaged in illicit maritime narcotic trade. This communications system was developed to enable Latin American Navies to report information on suspect vessels or those vessels fitting the general profile of narcotics smugglers.

The following foreign naval activities are members of IAMIN:

Bahamas, Colombia, Dominican Republic, Ecuador, Haiti,
Honduras, Mexico, Panama, and Venezuela.

Each IAMIN member has a communications path for passing sighting reports. Each Area Commander has been designated as net control over selected countries and decides what information will be transmitted:

<u>Atlantic Area</u>		<u>Pacific Area</u>
Bahamas	Colombia	Ecuador
Dominican Republic	Haiti	Mexico
Honduras	Venezuela	Panama

District Commanders utilize the IAMIN network by requesting the Area Commander to transmit information on a specific vessel(s). The system is used to:

- (1) Place vessels on lookout with Latin American navies.
- (2) Query IAMIN members for sighting information.
- (3) Provide amplifying information to IAMIN members on vessels positions on a situational basis

The system will not be used for transmitting classified information. IAMIN message traffic is restricted to information related to suspect and profile vessel identification, description, illegal activity, and positions. No personnel data is included.

38. WHAT KIND OF INTELLIGENCE DO YOU GET FROM EPIC? HOW USEFUL IS THIS INFORMATION TO YOUR INTERDICTION EFFORTS? HOW CAN EPIC'S CURRENT OPERATIONS BE IMPROVED?

A: EPIC provides information about persons, vehicles, ships, boats and aircraft and their involvement in illegal narcotics activity. The information is provided in different ways including:

- a. direct response to field inquiries,
- b. special written reports,
- c. reference documents, and
- d. information reports.

EPIC's information is useful to our interdiction efforts. However, because of the various sources of information used and their interplay with situational information in our operations, the usefulness of any single source is not representative if considered by itself. EPIC's current operations involve control and dissemination of information. By providing more timely information, appropriately protected from compromise of course, EPIC can continue to improve its operational value.

39. YOUR TESTIMONY SEEMS TO INDICATE THAT EPIC DOES NOT PROVIDE MUCH OPERATIONAL INTELLIGENCE NOR IS IT DESIGNED TO DO SO. SHOULD EPIC'S OPERATIONAL INTELLIGENCE CAPABILITY BE IMPROVED, AND IF SO, WHAT SUGGESTIONS CAN YOU OFFER TO ACCOMPLISH THIS?

A: The primary objective of EPIC is to provide a complete and accurate intelligence picture of drug movements by land, sea, and air throughout the world. This picture is so large and complex that EPIC currently does not have the capability to handle all the detailed specialized intelligence needed for maritime interdiction, for example, time sensitive data on location and movements of narcotics smuggling vessels. The relationship between EPIC and Coast Guard is synergistic. The Coast Guard is currently expanding its efforts in the maritime intelligence arena. Increased coordination and dissemination of drug related intelligence with EPIC, NNBS and other Federal agencies should significantly enhance the success of the total drug interdiction effort and increase the amount and timeliness of operational intelligence available to all intelligence and law enforcement agencies. Thus, the best means of improving EPIC's operational capability would be for user agencies to provide more, and more timely, data and to draw upon EPIC's resources more frequently.

40. HOW DOES EPIC COMPARE WITH THE INTERDICTION OPERATIONS INFORMATION CENTER IN MIAMI?

A: EPIC's primary mission is to provide a complete and accurate intelligence picture of drug movement by land, sea, and air throughout the world. Major emphasis is focused on trafficking organizations. The Interdiction Operations Information Center (IOIC) in Miami is now the OIC under NNBS and is primarily interested in providing tactical intelligence and coordinating narcotics interdiction activity in the Southeast U.S. It does not look at the whole world picture. It concentrates on vessels and aircraft in a geographic area to provide that tactical intelligence necessary to meet operational needs.

41. WHAT PERCENTAGE OF COAST GUARD DRUG SEIZURES IS MADE AS A RESULT OF SPECIFIC PRIOR INTELLIGENCE AND WHAT PERCENTAGE RESULTS FROM ROUTINE PATROLS AND BOARDINGS?

A: Intelligence information obtained from Coast Guard programs results in or contributes to approximately 50 percent of our mothership seizures. The remainder of seizures result from patrols and boardings (approximately 40 percent) and intelligence from other agencies (approximately 10 percent).

42. THE BACKGROUND MATERIALS PROVIDED TO THE COMMITTEE PRIOR TO THE HEARING STATE THAT INCREASED INTELLIGENCE INITIATIVES HAVE ALLOWED THE COAST GUARD TO RESPOND TO MANY OF THE SHIFTS FROM HISTORICAL TRAFFICKING ROUTES CAUSED BY THE SOUTH FLORIDA TASK FORCE OPERATION. PLEASE DESCRIBE THE INCREASED INTELLIGENCE EFFORTS YOU HAVE UNDERTAKEN.

A: Details of our current intelligence activities are highly sensitive and include classified national security information. The release of this information in a forum other than closed session would be detrimental to our on-going interdiction operations.

43. THE NEED FOR IMPROVED DRUG INTELLIGENCE IS MENTIONED SEVERAL TIMES IN THE BACKGROUND MATERIALS PROVIDED TO THE COMMITTEE, AND YOU BROUGHT THIS UP FREQUENTLY IN YOUR TESTIMONY.

(a) WHAT KIND OF INTELLIGENCE DO YOU NEED MOST?

- A: Our most critical intelligence need is timely, accurate information on the number, identity, location and destination of all vessels illegally carrying narcotics or controlled dangerous substances to the U.S.

(b) WHAT SPECIFIC SUGGESTIONS DO YOU HAVE TO IMPROVE DRUG INTELLIGENCE EFFORTS?

- A. Expand collection as well as intelligence processing and production capabilities. Process and produce tactical maritime intelligence concerning the location and tracking of smuggling vessels. Such initiatives should complement EPIC by concentrating on the vessel movement threat. Coast Guard intelligence activities are tasked with supporting all Coast Guard mission areas, shifting emphasis as national priorities dictate. These mission areas include, but are not limited to, operational law enforcement, military readiness, polar ice operations, port security and safety, and maritime terrorism.

(c) WHAT STEPS ARE YOU TAKING TO IMPROVE YOUR INTELLIGENCE CAPABILITY? FOR EXAMPLE, WHAT ARE YOU DOING TO UPGRADE RADAR CAPABILITY IN YOUR LONG AND MEDIUM RANGE SEARCH AIRCRAFT?

- A: The Coast Guard is upgrading the sensor systems which extend the eyes and ears of the operators and onboard surveillance systems. These range in complexity from simple hand-held binoculars to infra-red systems. One of these sensors is the forward looking airborne radar (FLAR) being installed in our new HU-25A aircraft. We are in the process of evaluating a new search radar for installation in our HC-130 aircraft. The Navy is also providing anti-submarine warfare aircraft flights to detect very small radar contacts.

Another sensor in use is the side looking airborne radar (SLAR) installed on three of our C-130's. Just as the FLAR is designed to scan the area ahead of the aircraft, the SLAR scans abeam. This radar records its imagery on dry film, permitting detailed analysis as well as a record of the targets. We plan to install this radar as a part of the AIREYE sensor package for our new HU-25A aircraft.

When we equip our new helicopters with the forward looking infrared sensor (FLIR) we will "see" in the dark without resorting to the use of visible illumination.

44. WHAT ARE THE MAJOR AREAS THAT NEED IMPROVEMENT IN THE FEDERAL GOVERNMENT'S AND THE COAST GUARD'S DRUG LAW ENFORCEMENT PROGRAM, E.G., RESOURCES, COORDINATION, INTELLIGENCE, ETC?

A: In order to improve our interdiction effectiveness we must first have better intelligence information to lead us to the right area, supplemented by aircraft with good sensor packages to locate and surveil suspicious vessels. Once located, we need to send cutters to conduct the boarding and seizure. To optimize major cutter time available, we need shuttle craft to escort seized vessels back to port. This represents the best mix of resources to halt drug traffickers. Since this increased effort involves more operations, additional personnel are needed for direct operations and support. Coordination through NNBIS should provide significant improvements in the total effort. Our present budget request and past administration efforts have gone a long way to improve Coast Guard drug interdiction strategy and resource requirements which stressed the importance of intelligence in the drug interdiction program. Potential exists for increased effectiveness through cooperative efforts with other countries. I addressed recommended legislative changes in question #4.

II. ADDITIONAL QUESTIONS RAISED IN YOUR LETTER TO ADMIRAL JAMES S. GRACEY, COMMANDANT OF THE COAST GUARD, DATED JULY 28, 1983.

1. WHEN WERE THE LISTED VESSELS PLACED IN RESERVE AND AS OF WHEN WERE THEY STRICKEN FROM THE COAST GUARD INVENTORY?

WHEC 41 Chatauqua	WHEC 69 Mendota
WHEC 65 Winona	WHEC 70 Ponchartrain
WHEC 67 Minnetonka	WHEC 36 Spencer
	WHEC 32 Campbell

A: The following vessels were placed in reserve status and disposed of on the dates indicated:

<u>Vessel</u>	<u>In Reserve</u>	<u>Disposition date</u>
Chatauqua (WHEC 41)	8/1/73	10/7/80
Winona (WHEC 65)	5/31/74	3/24/77
Minnetonka (WHEC 67)	5/31/74	3/24/77
Mendota (WHEC 69)	11/1/73	8/12/77
Ponchartrain (WHEC 20)	10/19/73	8/12/77
Spencer (WHEC 36)	7/23/74	12/1/82
Campbell (WHEC 32)	4/1/82	2/2/83

2. WHY WERE THESE VESSELS NOT KEPT ON LINE?

A: The rationale for placing these vessels in reserve status was predicated on the decreasing reliability and supportability of the installed steam propulsion machinery, a declining pool of trained maintenance personnel caused by an increased emphasis on diesel engine usage and, in the case of the first six vessels, a reduced need for vessels due to terminating the Ocean Station Vessel program in 1973. In most cases disposal occurred prior to the presently identified need for increased resources required for drug interdiction. CAMPBELL was decommissioned in FY 82 in anticipation of replacement by BEAR, the first of the new 270 foot FAMOUS class cutters. The four remaining 327 foot WHEC's are in service awaiting replacement by the new 270 foot FAMOUS class cutters. These 327 foot WHEC's are the only steam propulsion plants extant in the Coast Guard and are unique in their maintenance problems. Due to the complete unavailability of replacement parts, a catastrophic failure of many propulsion components would effectively delete that vessel from our present inventory of operationally available cutters.

3. WE NOTE THAT SOMETIME DURING THE PERIOD OF 1982-83, TWO FORMER U.S. NAVY FLEET TUGS WERE TAKEN OVER BY THE COAST GUARD AS MEDIUM ENDURANCE CUTTERS TO JOIN THREE OTHER VESSELS OF THIS TYPE LONG IN SERVICE WITH THE COAST GUARD. THE RECENT ACQUISITIONS ARE:

WMEC	76	UTE
WMEC	85	LIPAN

PREVIOUS ACQUISITIONS IN SERVICE ARE:

WMEC	153	CHILULA
WMEC	165	CHEROKEE
WMEC	166	TAMORA

WE ARE TOLD THOSE 205 FOOT VESSELS ARE SEAWORTHY AND RELIABLE, CAPABLE OF 16.5 KNOTS AND HAVE PROVEN EFFECTIVE FOR DRUG INTERDICTION PATROLS.

- (a) OUR QUESTION IS WHY MORE OF THESE VESSELS IN THE RESERVE FLEET ARE NOT ACTIVATED AND ASSIGNED TO THE COAST GUARD.

A: The Coast Guard has found the 205 foot former Navy fleet tugs to be seaworthy and serviceable for drug interdiction patrols. However, all of these vessels are approaching or exceeding forty years of age, and the Coast Guard fully expects its present complement of 205's will be retired from the service within the decade. All these cutters have deteriorating hull shell plating and structure, aging and unsupportable machinery and equipment, electrical system safety hazards, and substandard habitability. By acquiring more of these vessels, the Coast Guard is not getting any "bargain". The UTE and LIPAN have required extensive effort and expense to bring them to minimum standards of safety, habitability and reliability. They were obtained in 1981 as temporary resources to help recover from the 1980 Cuban Boatlift operation.

- (b) WE UNDERSTAND THAT 8 OF THESE SHIPS ARE IN THE MARITIME RESERVE FLEET, 4 IN THE NAVAL RESERVE FORCE PACIFIC AND 4 IN THE NAVAL RESERVE FORCE ATLANTIC. MIGHT THEY NOT PROVIDE AN IMPORTANT INTERIM DRUG INTERDICTION CAPABILITY UNTIL NEWER VESSELS UNDER CONSTRUCTION ARE BROUGHT ON LINE. HAS ANY CONSIDERATION BEEN GIVEN TO THIS?

A: The Coast Guard has considered a number of former Navy, Naval Reserve, and Military Sealift Command vessels as candidates for reactivation. UTE, LIPAN and ESCAPE, the most recent of these acquisitions, were among the best available. Yet, as noted above, they have required a major effort to keep them in operating condition. Most of these craft are old and worn out from heavy usage prior to decommissioning. Continued operation of our older cutters until replaced by operational 270 foot WMECs is more cost effective than replacing them with vessels from the Navy's Reserve Fleet.

4. (a) WOULD YOU KINDLY GIVE US THE BUILDING SCHEDULES FOR THE 13 BEAR CLASS CUTTERS AUTHORIZED INCLUDING THE BUILDER AND THE DATES FOR LAYING DOWN, LAUNCHING AND COMMISSIONING?

A: The thirteen 270 foot Famous Class Medium Endurance Cutters (WMECs) are being built by two companies, the first four vessels at Tacoma Boat-building Company of Tacoma, WA, and the remaining nine at R. E. Derecktor Company, Middletown, RI. The expected construction schedule for these vessels is as follows:

	<u>KEEL LAYING</u>	<u>LAUNCH</u>	<u>DELIVERY</u>	<u>COMMISSIONING</u>
BEAR	AUG 79	SEP 80	JAN 83	FEB 83
TAMPA	APR 80	MAR 81	OCT 83	NOV 83
HARRIET LANE	OCT 80	FEB 82	JAN 84	JAN 84
NORTHLAND	APR 81	MAY 82	MAR 84	APR 84
SPENCER	JUN 82	JUL 83	JUN 85	JUL 85
SENECA	SEP 82	OCT 83	OCT 85	NOV 85
ESCANABA	APR 83	MAY 84	FEB 86	MAR 86
TAHOMA	JUN 83	JUL 84	JUN 86	JUL 86
WMEC-909	APR 84	MAY 85	OCT 86	NOV 86
WMEC-910	MAY 84	MAY 85	FEB 87	MAR 87
WMEC-911	NOV 84	JAN 86	JUN 87	JUL 87
WMEC-912	DEC 84	JAN 86	OCT 87	NOV 87
WMEC-913	JUN 85	SEP 86	FEB 88	MAR 88

You should note that the expected delivery and commissioning dates for TAMPA, HARRIET LANE and NORTHLAND will be delayed due to a strike by shipyard workers at Tacoma Boatbuilding Company. Also, the expected delivery dates for the nine R. E. Derecktor built vessels are not the contracted delivery dates but the best estimate of actual delivery by the Coast Guard's Resident Inspector's Office.

- (b) GIVEN THE ESTIMATE THAT THESE VESSELS WILL NOT BE FULLY ON LINE UNTIL 1988, HAS ANY CONSIDERATION BEEN GIVEN TO OBTAINING 10 TO 20 VESSELS FROM THE NAVY FOR DRUG INTERDICTION PATROL DURING THE INTERIM?

A. In 1982, the Coast Guard surveyed available Navy resources with an eye toward obtaining additional hulls for the drug interdiction effort. Problems with suitability for the mission, supportability, rehab, etc., convinced us that presently utilized older cutters are more capable of meeting our needs than those available from the Navy. Therefore, we intend to keep the older cutters operating until the 270's are ready for operations. As each new 270 foot cutter becomes ready, present plans call for an older cutter to be withdrawn from service. For efficiency's sake we would rather use the older cutters during the next few years than replace them with other hulls with which we are not familiar.

5. AT OUR HEARING THERE WAS SOME DISCUSSION OF THE PROCUREMENT OF 8 "PATROL BOATS"; THAT THE CONTRACT WAS ABOUT TO BE FINALIZED AND THAT THEY WOULD ENTER SERVICE BETWEEN SEPTEMBER 1984 AND SOMETIME IN 1988.

WOULD YOU KINDLY GIVE US THE SPECIFICATIONS ON THESE VESSELS AND WHAT THEIR DESIGNED AND INTENDED MISSION WILL BE. WE WOULD ALSO LIKE TO KNOW THE BUILDER OR BUILDERS AND THE DATES OF LAYING DOWN, LAUNCHING AND COMMISSIONING AS ENVISAGED.

- A: The contract for the procurement of eight patrol boats is currently at the evaluation of the contractors' proposals stage. Contractors have submitted their proposals to fulfill a Circular of Requirements issued by the Coast Guard. This Circular includes:

Length:	Approximately 100'-130'
Draft:	Eight feet or less
Speed:	Minimum flank 28 kts
	Minimum continuous 25 kts
Endurance:	Minimum 5 days
Range:	Minimum 1500nm
Crew Size:	16

The contract for these vessels will be awarded in January 1984 and requires delivery of the first patrol boat in one year with an additional boat every 45 days thereafter. These patrol boats are being procured as additional resources for primary use in the drug interdiction mission.

6. (a) WHAT WE WOULD BE INTERESTED IN LEARNING IS WHAT WOULD THE COAST GUARD NEEDS IN THE WAY OF ADDITIONAL NUMBERS AND TYPES OF AIRCRAFT AND VESSELS TO EFFECTIVELY DETECT AND INTERCEPT SMUGGLING AIRCRAFT ATTEMPTING TO PENETRATE OUR COASTS FROM THE SEA. THIS SAME AIRCRAFT CAPABILITY WOULD SEEM TO US AT LEAST, AS WHAT WOULD BE NEEDED TO DETECT AND INTERCEPT SMUGGLERS ATTEMPTING TO PENETRATE THE AIR SPACE AT OUR LAND FRONTIERS.

A: The Coast Guard's fleet of aircraft and cutters are regularly employed along our coasts. At the present time we have substantial resources in the Southeast U. S. and Caribbean areas patrolling along both traditional marine and air trafficking routes (where the latter coincide with marine routes, which they generally do in the distant high seas areas). Of the ships currently employed in these areas only the 378' high endurance cutters are fitted with air search radars. We are looking for air search equipment which is suitable for use in our smaller ships. We are presently acquiring new radar systems for surface surveillance by our C-130 fixed wing aircraft. These radars should provide a limited air detection capability. Since we are already employed in marine surveillance patrols, and have a well established logistics base to support our current operations, enhancement of the detection capability of our existing ships and aircraft would appear to be a cost effective objective. The use of low cost tethered aerostats as maritime surveillance platforms is presently being evaluated. As previously mentioned the addition of an air detection capability, a natural extension of this project, is being considered.

Enhancement of the air detection capability of our present resources is a necessary first step and one that we are pursuing. Recommendations regarding acquisition of more aircraft and ships to counter the aerial smuggling effort must necessarily await an evaluation of our present modest efforts to improve air detection capability. Should an effective sensor package be developed for the long range offshore surveillance effort, the additional equipment to accomplish the mission would fit well with our present operation and existing infrastructure. With marine smuggling still getting through at a higher than acceptable rate, our primary efforts remain focussed there. Nonetheless, the equipment needed for that effort can also be utilized to contribute to detection of aerial smugglers.

- (b) THIS RAISES THE QUESTION AS TO WHETHER THE COAST GUARD OUGHT TO BE GIVEN A CLEARCUT MANDATE AND THE NECESSARY AIRCRAFT RESOURCES TO DEFEND OUR SEA AND LAND BORDERS FROM AIR SMUGGLERS?

A: The Coast Guard has clear authority to conduct operations of National interest in the maritime region. With our existing fleet of cutters and aircraft we are heavily involved in drug interdiction operations. If we can enhance our ability to detect air traffic with our patrolling cutters and aircraft, we will be able to make a bona fide contribution to the air interdiction effort.

We envision our contribution as a complement to the ongoing efforts of the various agencies as coordinated through the NNBIS. We would appropriately search, detect and report incoming aircraft to the NNBIS Center, and thence to the FAA, which coordinates the Customs Service mission of intercepting and apprehending airborne smugglers when they land.

7. COULD YOU GIVE US A LIST OF THE COAST GUARD AIRCRAFT INVENTORY AND THE AVERAGE AGE BY CLASS OF AIRCRAFT.

A: The following aircraft in the CG inventory perform ELT operational missions:

<u>Aircraft</u>	<u>Number in inventory</u>	<u>Operational Allowances</u>	<u>Operational Aircraft</u>	<u>Support Aircraft</u>	<u>Average Age (Yrs)</u>
HC -130	23	19	19	4	11.3
HU-25A	30	34	30	0	1
HH-3F	37	32	31	6	12
HH-52A	71	70	66	5	18

Notes:

- a. With the retiring of the older B-model HC-130 aircraft and the purchase of new H-models, the average age of the HC-130 fleet after February 1984 will be 9.8 years.
- b. Delivery of the HH-65A is now expected to commence in the first quarter, FY-84. These aircraft are to replace the HH-52A.
- c. Total delivery of the HU-25A will be 41 to fill 34 operational allowances.
- d. Operational allowance is the number of aircraft that are funded and manned for operational missions.
- e. Operational aircraft is the number of actual aircraft used operationally and may support ELT missions. These are the number of airplanes to fill the Coast Guard's authorized operational allowances.
- f. Support aircraft are those aircraft undergoing scheduled or unscheduled overhaul maintenance.

8. AT THE PRESENT TIME AS WE UNDERSTAND IT BOTH COAST GUARD AND CUSTOMS ARE ENGAGED IN AIR INTERDICTION EFFORTS ACROSS OUR SEACOASTS AND CUSTOMS IS EXCLUSIVELY INVOLVED IN ANTI-SMUGGLING AIR PATROL OVER OUR LAND FRONTIERS. THERE IS A PERCEPTION THAT THE EFFECTIVENESS OF BOTH OF THOSE AIR PATROL EFFORTS LEAVES MUCH TO BE DESIRED DUE TO THE LACK IN NUMBER AND TYPE OF APPROPRIATELY EQUIPPED AIRCRAFT. AS WE UNDERSTAND IT, UNDER THE NATIONAL NARCOTICS BORDER INTERDICTION SYSTEM, CONSIDERATION IS BEING GIVEN TO PROVIDING CUSTOMS WITH LARGE, LONG-RANGE, SOPHISTICATED PATROL AIRCRAFT. WE WOULD LIKE YOU TO INFORM US WHAT ROLE HAS BEEN PLANNED FOR THE COAST GUARD AIR PATROL CAPABILITY UNDER THE NNBIS PROGRAM. WE WOULD ALSO LIKE TO BE ASSURED THAT DUPLICATE EQUIPMENT IS NOT BEING PROVIDED BOTH COAST GUARD AND CUSTOMS TO CARRY OUT THE SAME MISSION AND THAT OPERATIONAL CONFLICTS WILL BE AVOIDED.
- A: Under the NNBIS each agency contributes available resources which are brought to bear on the problem as necessary. Capabilities provided by the various agencies under NNBIS coordination are complementary, not redundant. There is more than enough work for all, each operating according to its particular capability and in its statutory arena.

Most of our drug interdiction operations involve cooperation with Customs at some phase of the process. A carefully structured Memorandum of Understanding (MOU) is in place and has stood the test of time. It clearly defines areas of responsibility and specifies the roles of each agency in the drug mission. It was instituted many years ago to preclude potential conflicts. The MOU recognizes Coast Guard primary jurisdiction beyond Customs waters (12 miles) and shared jurisdiction within those waters.

Customs has long maintained a capability to intercept and apprehend airborne smugglers. This is accomplished with short range aircraft. We have a fleet of C-130 long range surveillance aircraft which we are planning to equip with radars which, though not designed to do so, should have a limited ability to detect aircraft. Our efforts and Customs' should be mutually supportive and in consonance with our MOU.

I understand Customs does have a plan to place about five P-3A aircraft into operation in the air interdiction effort. These are old U. S. Navy anti-submarine planes and will have to be modified for aircraft detection. By agreement, the Coast Guard will deploy people aboard them to conduct surface searches while they look for incoming aircraft.

The Coast Guard is experienced in long range search. It has an established logistics and management infrastructure, and regularly conducts a variety of maritime surveillance flight missions. As with all Coast Guard activities these flights are multi-mission. When aircraft are sighted, they are reported to the NNBIS operations center. With our existing aircraft and sensors, aircraft sightings must be visual and, of necessity, are further limited to aircraft flying over waters frequented by marine smugglers.

Since enforcement of laws while airborne is impossible and apprehension of aircrews after landing is not an appropriate Coast Guard function, our role is, perforce, limited to early detection of inbound aircraft and alerting to appropriate intercept and apprehension agencies through the NNBIS Center.

9. WHAT PERCENTAGE OF YOUR BUDGET IS DEVOTED TO ENFORCEMENT OF THE DRUG LAWS?

A: The 1984 budget allocates \$474.6M for enforcement of laws and treaties (ELT). This amount comprises 18.7 percent of the Coast Guard budget. Operating expenses for ELT resources account for \$359M out of the total \$1,688M OE request. Acquisition, Construction and Improvement funds in support of the ELT mission account for \$113.5M of the total \$378.6M AC&I request. The Research, Development, Test, and Evaluation appropriation also includes \$1.027M for ELT out of \$22M. Approximately 65 percent of the ELT funds are specifically dedicated to enforcement of drug laws. This totals approximately \$310.5M or 12.2 percent of the Coast Guard budget.

10. WHAT PERCENTAGE OF THE COAST GUARD FLEET IS COMMITTED TO DRUG INTERDICTION?

A: Coast Guard cutters are all multi-mission ships. None are totally committed to any mission. The majority of the Coast Guard cutter fleet of vessels 65 feet and longer perform law enforcement (ELT) patrols. These resources include all classes of high and medium endurance cutters, surface effect ships, major buoy tenders and patrol boats. The remaining cutter fleet consists of resources such as icebreakers, smaller buoy tenders, river tenders, and harbor tugs which perform law enforcement missions on an incidental basis. In FY 82, 6,010 cutter days or 49 percent of the resource days of ELT patrol cutters were devoted primarily to drug interdiction. For specific resource types, the percentage of such drug interdiction resource days was as follows:

WHECs	-	38% (includes Haitian Migrant Interdiction Operation cutter)
WMECs	-	55%
WSESs	-	100%
WPBs	-	51%

The remaining percentage of resource days for each class was primarily devoted to fisheries and other ELT, search and rescue, operational and military training, and other incidental missions. Drug interdiction comprises the largest percentage of employment days for all classes, except the 378 foot WHECs in the Pacific, which are used primarily to enforce foreign fisheries regulations off Alaska. In FY 82 an additional 218 cutter days for drug interdiction were provided by other Coast Guard cutters such as icebreakers, harbor tugs, and large buoy tenders. Specific percentages of drug interdiction days for these other ELT cutters are as follows:

WAGB's/WAGO's	-	9%
WLBs	-	3%
WTB's/WYTM's/WYTL's	-	13%

11. PROVIDE US INFORMATION ON COAST GUARD DRUG ARRESTS AND CONVICTIONS (TRANSCRIPT, PP. 103-104). IN THIS CONNECTION, FOR CALENDAR YEARS 1980-1982 AND 1983 TO DATE, PLEASE PROVIDE THE NUMBER OF PERSONS ARRESTED, THE NUMBER TRIED AND WHETHER THEY WERE TRIED IN FEDERAL OR STATE COURTS, THE NUMBER CONVICTED AND THE CHARGES INVOLVED, AND THE LENGTH OF PRISON SENTENCES IMPOSED. IN ADDITION, PLEASE PROVIDE INFORMATION ON THE NATIONALITIES OF PERSONS ARRESTED AND CONVICTED AND INFORMATION AS TO WHETHER THESE DEFENDANTS ARE HIGH-LEVEL, MID-LEVEL, OR LOW-LEVEL TRAFFICKERS.

A. Conviction record of the Seventh Coast Guard District:

	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>First Half 1983</u>
# of persons arrested	499	615	780	242
# Accepted for Prosecution	194	416	602	219
# Tried in Federal Court	UNK	415*	547	125
# Convicted	159	325	507	115
Charges Involved	unavail	unavail	unavail	unavail
Length of Prison Sentence	unavail	1.9 yrs avg.	2.8 yrs avg.	2.2 yrs. avg.

* One Fugitive has not been to trial.

- NOTE:
- These stats only include the Southeast United States which account for approximately 80% of Coast Guard seizures. Data from the remainder of the U.S. is incomplete and not readily available.
 - The following two pages show the vessel and individual nationalities for FYs 82 through 6/30 of FY83. Information as to level of traffickers involved is not maintained by the Coast Guard.

Seizures by Vessel Nationalities for FY 81, FY 82 and FY 83 thru 7/31
(Includes assistance to other agencies)

FY 81

<u>Country</u>	<u>Cases</u>	<u>Pounds</u>	<u>Arrests *</u>
United States	163	2,148,443	591
Barbados	1	1	13
Bahamas	2	20,024	15
Canada	1	1	4
Colombia	1	12,000	5
Honduras	4	104,574	43
Panama	9	395,766	80
United Kingdom	2	23,001	9
Spain	1	400,000	9
Venezuelan	2	33,001	10
Stateless	19	721,577	219
Non-Vessel	27	135,866	12
Total	232	3,994,254	1,010

FY 82

United States	122	1,927,400	604
Bahamas	1	22	0
Grand Cayman	2	70,270	26
Colombia	2	55,000	21
Denmark	1	119,500	11
Honduras	7	209,340	56
Panama	11	430,899	114
United Kingdom	6	151,870	37
Venezuela	4	105,101	38
Mexico	1	1	6
Netherland Antilles	1	100,000	5
Stateless	17	515,721	161
Non-Vessel	58	90,162	52
Total	268	3,775,286	1,131

FY 83

United States	97	958,681	283
Canada	1	16,000	3
Colombia	2	1	17
Grand Cayman	2	52,080	9
Honduras	3	139,100	28
Panama	9	334,098	112
United Kingdom	3	36,300	17
Stateless	14	490,384	164
Non-Vessel	54	44,955	14
Total	185	2,071,599	647

*Not by Nationality of Individuals

Drug Arrests by Nationality of Individual for FY 81, FY 82, FY 83 thru 7/31

<u>Country of Origin</u>	<u>FY 81</u>	<u>FY 82</u>	<u>FY 83</u>
United States	374	227	156
Colombia	460	576	387
Cuba	51	81	32
Panama	12	25	6
United Kingdom	8	-	-
Honduras	4	7	23
Venezuela	3	-	-
Jamaica	3	4	-
Ecuador	3	5	2
Mexico	2	6	2
Guyana	2	-	-
Dominican Republic	1	1	-
Bahamas	1	2	-
Nicaragua	1	3	-
Costa Rica	1	3	1
Canada	1	1	-
Chile	1	-	1
Greece	1	-	-
Peru	1	-	-
Puerto Rico	-	-	6
Cyprus	1	-	-
El Salvador	-	2	-
Netherland Antilles	-	2	-
Denmark	-	1	-
Haiti	-	1	1
Germany	-	1	-
Italy	-	1	-
New Zealand	-	1	-
Australia	-	1	-
Spain	-	-	4
Switzerland	-	-	1
Sweden	-	-	2
Unknown	<u>79</u>	<u>180</u>	<u>22</u>
Total	1,010	1,131	643

Complete for FY 81, FY 82 and FY 83 through 7/31.

12. (a) PROVIDE A TIMETABLE DEPICTING THE RESOURCES (SHIPS, AIRCRAFT, RADAR) THAT ARE CURRENTLY IN THE PROCUREMENT PIPELINE AND WHEN THOSE RESOURCES WILL COME ON LINE?

A: Timetable of Resource Procurement/Operation

<u>Resource</u>	<u>Number</u>	<u>First Delivery</u>	<u>First Unit Operational</u>	<u>Last Delivery</u>	<u>All Units Operational</u>
<u>1. Cutters</u>					
a. 270' FAMOUS Class	13	FEB 83	FEB 84	JAN 88	JAN 89
b. SEUS WPB	8	JAN 85	MAR 85	JAN 86	MAR 86
c. Prototype SWATH cutter	1	JUN 87			
<u>2. Aircraft</u>					
a. HU-25 Falcon [MRS]	41	FEB 82	OCT 82	FEB 84	FEB 84
b. HH-65 Dolphin [SRR]	90	OCT 84	AUG 84	DEC 86	JUN 87
c. Replacement C-130	12	MAY 83	AUG 83	MAY 85	AUG 85
<u>3. Equipment</u>					
a. Hand-held Night Vision Scope	360	MAY 83	MAY 83	JUN 84	JUN 84
b. AIREYE Sensor Package	6	FEB 84	JUL 84 *	DEC 85	MAR 86
c. Gyro-Stabilized Binoculars	358	MAR 84	MAY 84	JAN 89	JAN 89
d. FLAR for HC-130**	26	OCT 85	JAN 86	SEP 91	DEC 91
e. FLIR (LT WT)	11	OCT 83	NOV 83	DEC 83	DEC 83
f. FLIR for HH-65	90	MAR 86	OCT 86	SEP 88	SEP 88

* If option exercised after initial testing.

** This information pertains to a "search" radar. Depending on the level of Navy funding, this program could be accelerated. As an interim measure, new weather avoidance radar with a limited search capability is being installed in the C-130's. This program should be completed by September 1984.

(b) HOW WILL THESE RESOURCES INCREASE YOUR NARCOTICS ENFORCEMENT CAPABILITY?

- A: The new 270 foot WMECs are replacing 40 to 50 year old vessels which are difficult to maintain and support. Although the 270 foot WMECs do not represent a net increase in hulls, we should see a net increase in cutter days and capability because of their increased reliability, flight decks (permitting helicopter deployment) and upgraded systems. The three new surface effect ships and the eight patrol boats slated for use in the Southeast United States will not only increase the cutter inventory by 11 hulls, but their dash speed should increase our intercept capability. The new Falcon MRS aircraft will provide much needed surveillance along the coastal U.S. and in portions of the Caribbean (The MRS aircraft fleet they "replace" has been seriously depleted for the past several years). The replacement C-130 aircraft will allow us to continue current surveillance throughout the Caribbean and further offshore (They will have greater range and be more reliable than the C-130's they replace). The HH-65A helicopters will have radars and eventually FLIRs and provide more reliable airframes to deploy aboard our flight-deck equipped cutters, they will greatly expand the cutters' detection capability. This should increase the effectiveness of our surface patrol units. New sensor equipment being procured will significantly increase the detection and surveillance capabilities of our vessels and aircraft.

(c) WHAT ADDITIONAL RESOURCES (E.G. PATROL BOATS, C-130's, MORE SOPHISTICATED SENSORS, ETC.) COULD THE COAST GUARD USE EFFECTIVELY IN SUPPORT OF NARCOTICS INTERDICTION, I.E. THE RESOURCES THAT CONGRESS COULD ADD TO THE COAST GUARD BEFORE THE RETURN ON THAT INVESTMENT WOULD MAKE IT DIFFICULT TO JUSTIFY THE COST?

A: The Coast Guard could effectively use additional high and medium endurance cutters, C-130 aircraft, mid-level patrol craft, helicopters, shuttle vessels, FLIR sensors for our helicopters and cutters, FLAR and SLAR on our medium and long range search aircraft and radar surveillance sites in the Caribbean. These resources are in addition to those already in the procurement pipeline. Additional personnel are also required to augment our small boat stations and cutter crews and to form additional Law Enforcement Detachments (LEDETS).

(d) HOW LONG WILL IT TAKE TO ACQUIRE THESE ADDITIONAL RESOURCES IF APPROVED BY CONGRESS?

A: The time to acquire these additional resources will depend greatly on whether the cutters, aircraft, or equipment are existing resources transferred to the Coast Guard or new construction. The size, cost and complexity of high and medium endurance cutters precludes timely acquisition of new construction. Reserve fleet vessels or active U.S. Navy ships, if transferred to the Coast Guard, could be activated in approximately 12 to 18 months. Fifteen patrol craft will take from three to six years to acquire depending on whether new design or off-the-shelf vessels are procured. Shuttle vessels can either be leased or procured. A lease would require at least five months to negotiate. Acquisition would require approximately two to three years. The remaining sensors would require approximately one year to acquire.

The complexity, cost and relatively large number of aircraft and helicopters preclude rapid acquisition and implementation. The exact amount of time would be dependent upon numerous items over which the Coast Guard has little to no control. Purchase of new aircraft would be dependent upon our ability to obtain positions in the production line. Additional factors that must be taken into consideration are personnel, facility and training requirements to make this hardware operational.

13. WHAT IS THE COAST GUARD'S PLAN TO MOUNT A MAJOR INTERDICTION EFFORT WITHIN A YEAR TO A YEAR AND A HALF. PLEASE INDICATE THE PARTS OF THE PLAN THAT ARE BEING IMPLEMENTED, THE COSTS OF THESE INITIATIVES AND HOW THEY ARE BEING FUNDED. ALSO, PLEASE INDICATE THE PARTS OF THE PLAN THAT ARE NOT BEING IMPLEMENTED OR ARE BEING MODIFIED AND WHAT IT WOULD COST TO INITIATE THESE STEPS (TRANSCRIPT, PP. 114-115).

A: The Coast Guard conducted a study of its drug interdiction activities in 1982. This study resulted in a plan to improve drug interdiction effectiveness by using a Coordinated Zone Strategy which suggests tactical emphasis in each of three zones. The study examined the implementation of this strategy as well, with a goal of implementing the plan in a one year time frame. The findings of this study have been incorporated in the Coast Guard's long range drug enforcement plans, and adjustments have been made to reflect normal budget cycles. The resource requirements identified by the study were prioritized in several levels for implementation. Levels I and II primarily enhance the capabilities of existing Coast Guard platforms. Level I examined options which could be implemented by reprogramming existing resources. Level II requires minor increases in funding to maximize use of existing resources. Most level I and II recommendations have either been implemented or are in the budget process.

Level III requires additional funding for new resources. These additional resources include those necessary to seal the Caribbean choke points, to enhance Pacific interdiction capability and to improve aircraft surveillance. Level IV requires the remaining resources to fully implement the plan. Level V resources provide the balance necessary to free up WHEC/WMECs for enhanced Atlantic interdiction, provide additional patrol boats for the arrival zone and increase air surveillance capability. Some of the items from this plan which have been implemented or which are in the FY 84 budget include the following:

- o An additional \$900K recurring OE is budgeted in FY 84 for purchase of stabilized optics and additional night vision scopes.
- o SEUS WPB operating costs in FY 84 for four WPBs (\$2M/134 personnel).
- o Various programs to expand intelligence collection implemented.
- o 82' WPB crew augmentation (\$503K/17personnel).

Additional resources required by the plan include high and medium endurance cutters, C-130 aircraft, mid-level patrol craft, helicopters, shuttle vessels, radar surveillance platforms and additional personnel for LEDETS and for small boat stations. These resources will be sought through the budget process in future years.

14. (a) WHAT WAS THE PERCENTAGE OF HIGH ENDURANCE (HEC) AND MEDIUM ENDURANCE CUTTER (MEC) TIME SPENT ON ENFORCEMENT OF LAWS AND TREATIES DURING FY80, 81, 82 AND 83 TO DATE? PLEASE INDICATE THE TOTAL NUMBER OF HOURS UNDERWAY AND THE PORTION OF ELT TIME DEVOTED TO DRUG LAW ENFORCEMENT.

A:

RESOURCE HOURS

<u>FY</u>	<u>Total</u>	<u>ELT</u>	<u>Drugs</u>	<u>%(ELT/TOTAL)</u>	<u>%(Drug/ELT)</u>
80 *	103,450	72,284	27,627	69.9	38.2
81	104,452	66,845	37,512	52.5	56.1
82	119,541	89,092	50,594	74.5	65.3
1st Qtr 83	31,863	25,630	16,723	80.4	63.1
2nd Qtr 83	27,855	21,418	13,520	76.9	64.3

- (b) PLEASE PROVIDE A SIMILAR ANALYSIS AS ABOVE FOR AIRCRAFT.

A:

RESOURCE HOURS

<u>FY</u>	<u>Total</u>	<u>ELT</u>	<u>Drugs</u>	<u>%(ELT/Total)</u>	<u>%(Drug/ELT)</u>
80 *	90,257	16,969	6,332	18.8	37.3
81	84,263	11,124	6,987	13.2	62.8
82	81,585	13,267	5,950	16.3	44.9
1st Qtr 83	20,590	3,676	2,507	17.9	68.2
2nd Qtr 83	22,057	2,713	1,617	12.3	59.6

* Cuban recovery operations had significant effect on other operations.

15. PROVIDE US INFORMATION ON DRUG SMUGGLING CASES THAT HAVE BEEN DELAYED OR THAT THE GOVERNMENT HAS LOST OR NOT PROSECUTED DUE TO PROBLEMS IN MEETING THE BURDEN OF PROVING THAT A VESSEL WAS STATELESS (TRANSCRIPT, PP. 138-141).

A: I do not know of ~~any~~ cases that have been lost or not prosecuted due to problems in meeting the burden of proving that a vessel was stateless. The problem is that in requiring the government to produce certification of the record search by the claimed country and authentication of all documents involved, it is often difficult to accomplish this in the timely fashion required by our criminal process. This also requires the cooperative efforts of foreign governments. Although most countries are generally prompt in their reply, others, because of antiquated record processes, are extremely slow to respond and cause delays and tremendous additional work by Coast Guard legal staffs, Department of State personnel and prosecutors in follow-up action. International standards require an affirmative claim to registry in order to claim the protection of high seas freedoms and require evidence of such registry to be maintained aboard. Instituting a similar standard in our prosecution actions would insure moving cases promptly to conclusion, thus reducing cost and providing a more effective deterrent, it would also serve as a warning to smugglers who seek to hide behind false registration claims.

OPENING STATEMENT FOR AFTERNOON SESSION BY
CHAIRMAN CHARLES B. RANGEL

GOOD AFTERNOON LADIES AND GENTLEMEN.

THIS MORNING THE SELECT COMMITTEE BEGAN ITS EXAMINATION OF THE DRUG LAW ENFORCEMENT ASPECTS OF THE ADMINISTRATION'S STRATEGY FOR PREVENTION OF DRUG ABUSE AND DRUG TRAFFICKING, PROMULGATED BY THE PRESIDENT LAST FALL. WE HEARD FIRST FROM THE DRUG ENFORCEMENT ADMINISTRATION, OUR NATION'S LEAD NARCOTICS ENFORCEMENT AGENCY.

WE CONTINUE OUR INQUIRY THIS AFTERNOON WITH A REVIEW OF THE COAST GUARD'S ROLE IN THE STRATEGY FOR DRUG LAW ENFORCEMENT. AS THE FEDERAL AGENCY WITH PRIMARY JURISDICTION FOR MARITIME LAW ENFORCEMENT, THE COAST GUARD SHOULDERS THE MAJOR RESPONSIBILITY FOR INTERDICTING DRUG SMUGGLING BY SEA, PARTICULARLY MARIHUANA.

THE CHALLENGES CONFRONTING THE COAST GUARD IN PERFORMING THIS TASK ARE ENORMOUS. FIRST, THE QUANTITIES OF DRUGS INVOLVED ARE STAGGERING. AMERICANS CONSUME, AT A MINIMUM, AN ESTIMATED 9,600-13,900 METRIC TONS OF MARIHUANA EACH YEAR. OVER 90 PERCENT OF THIS MARIHUANA IS SUPPLIED FROM FOREIGN SOURCES, AND APPROXIMATELY 60 PERCENT OF THE MARIHUANA SMUGGLED INTO THE UNITED STATES IS TRANSPORTED BY SEA.

SECOND, THE COAST GUARD'S RESOURCES ARE LIMITED AND THE COAST GUARD IS RESPONSIBLE FOR A NUMBER OF OTHER IMPORTANT MISSIONS, SUCH AS SEARCH AND RESCUE AND FISHERIES ENFORCEMENT, IN ADDITION TO DRUG INTERDICTION. OVER THE PAST FIVE YEARS, THE COAST GUARD'S OPERATING EXPENSES BUDGET HAS INCREASED ALMOST 65 PERCENT IN TERMS OF ABSOLUTE DOLLARS BUT THE PURCHASING POWER OF THOSE DOLLARS HAS REMAINED RELATIVELY STATIC. IN 1981, THE COAST GUARD HAD TO CURTAIL PACIFIC DRUG LAW ENFORCEMENT PATROLS BY 90 PERCENT BECAUSE IT COULD NOT AFFORD TO BUY FUEL. MOREOVER, MANY OF THE COAST GUARD'S VESSELS AND AIRCRAFT ARE OLD AND REQUIRE EXTENSIVE AND COSTLY MAINTENANCE, REDUCING THEIR AVAILABILITY FOR ENFORCEMENT AND OTHER MISSIONS.

THIRD, THE NATURE OF DRUG SMUGGLING ACTIVITY IS CONSTANTLY CHANGING TO AVOID LAW ENFORCEMENT PRESSURE. PRIOR TO THE INITIATION OF THE VICE PRESIDENT'S SOUTH FLORIDA TASK FORCE ON CRIME, MOST OF THE MARIHUANA SMUGGLED INTO THE UNITED STATES ENTERED FLORIDA THROUGH THE CARIBBEAN. AS A RESULT OF THE CONCENTRATION OF FEDERAL RESOURCES IN SOUTH FLORIDA, HOWEVER, DRUG SMUGGLING ROUTES ARE SHIFTING TO THE PACIFIC AND NORTHWARD ALONG THE ATLANTIC COAST. UNLIKE THE CARIBBEAN, THERE ARE NO NATURAL "CHOKEPOINTS" ON THESE NEW ROUTES THAT SMUGGLERS MUST PASS THROUGH, THUS INCREASING THE DIFFICULTY OF DETECTING AND INTERCEPTING DRUG SMUGGLING ACTIVITY.

WE CONGRATULATE THE COAST GUARD FOR WHAT IT HAS BEEN ABLE TO ACCOMPLISH IN THE AREA OF NARCOTICS INTERDICTION WITHIN THE LIMITS OF ITS RESOURCES. PRIOR TO THE SOUTH FLORIDA TASK FORCE OPERATION, THE COAST GUARD WAS INTERCEPTING APPROXIMATELY 15 PERCENT OF THE SEABORNE MARIHUANA TRADE. AS A RESULT OF BEEFING UP ITS RESOURCES IN THE SOUTHEASTERN UNITED STATES TO SUPPORT THE TASK FORCE, THE COAST GUARD ESTIMATES THAT ITS MARIHUANA INTERDICTION RATE HAS DOUBLED, A CONSIDERABLE IMPROVEMENT.

DESPITE THIS IMPROVEMENT, MUCH MORE NEEDS TO BE DONE IF WE ARE TO REDUCE SIGNIFICANTLY THE ILLICIT SUPPLIES OF DRUGS ENTERING OUR COUNTRY. THE PURPOSE OF OUR HEARING TODAY IS TO REVIEW THE COAST GUARD'S DRUG ENFORCEMENT RESPONSIBILITIES, HOW THOSE RESPONSIBILITIES ARE CARRIED OUT, AND WHAT NEEDS TO BE DONE TO IMPROVE COAST GUARD'S NARCOTICS CONTROL CAPABILITIES. SPECIFICALLY, WE WANT TO FIND OUT WHAT ROLE THE COAST GUARD PLAYED IN THE DEVELOPMENT OF THE 1982 FEDERAL DRUG STRATEGY. WE ALSO WANT TO DISCUSS THE COAST GUARD'S PARTICIPATION IN THE SOUTH FLORIDA TASK FORCE AND FIND OUT WHAT THE COAST GUARD'S RESPONSIBILITIES WILL BE IN THE NEW ORGANIZED CRIME DRUG ENFORCEMENT TASK FORCES AND THE NATIONAL NARCOTICS BORDER INTERDICTION SYSTEM RECENTLY ANNOUNCED BY THE PRESIDENT. WE WANT TO REVIEW THE STATUS OF COAST GUARD

RESOURCES TO MEET THE GROWING DEMANDS OF DRUG INTERDICTION, AND WE WANT TO DETERMINE THE EFFECTIVENESS OF CERTAIN STATUTORY CHANGES ENACTED TO ENHANCE COAST GUARD'S HIGH SEAS DRUG ENFORCEMENT EFFORTS AND FACILITATE MILITARY ASSISTANCE TO DRUG LAW ENFORCEMENT AGENCIES. WE ALSO WANT TO KNOW HOW, AND HOW WELL, THE COAST GUARD IS COORDINATING ITS DRUG ENFORCEMENT ACTIVITIES WITH OTHER FEDERAL AGENCIES. MOST OF ALL, WE WANT TO GET THE COAST GUARD'S ASSESSMENT OF THE DRUG TRAFFICKING PROBLEM, WHAT IS NEEDED TO COMBAT IT EFFECTIVELY, AND WHAT WE ON THE SELECT COMMITTEE CAN DO TO HELP PROVIDE THE TOOLS THAT ARE NECESSARY.

I AM PLEASED TO WELCOME OUR WITNESS THIS AFTERNOON, ADMIRAL JAMES S. GRACEY, COMMANDANT OF THE U. S. COAST GUARD. ADMIRAL GRACEY, LET ME THANK YOU AT THE OUTSET FOR THE EXTENSIVE BACKGROUND MATERIALS YOU PROVIDED TO THE COMMITTEE, AND ALSO THANK YOU FOR THE COOPERATION YOU HAVE EXTENDED TO THE COMMITTEE. WE LOOK FORWARD TO YOUR TESTIMONY.

BEFORE WE HEAR FROM ADMIRAL GRACEY, I INVITE MY COLLEAGUES ON THE COMMITTEE TO MAKE OPENING STATEMENTS.

PREPARED STATEMENT OF
ADMIRAL JAMES S. GRACEY
COMMANDANT, U. S. COAST GUARD

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, IT IS A PLEASURE TO APPEAR BEFORE YOU TODAY TO REPORT ON THE COAST GUARD'S EFFORTS IN SUPPORT OF THE FEDERAL STRATEGY FOR PREVENTION OF DRUG ABUSE AND DRUG TRAFFICKING.

AS YOU KNOW, THE FEDERAL STRATEGY BASICALLY ENCOMPASSES 5 INTERRELATED PROGRAMS; (1) INTERNATIONAL EFFORTS TO STOP DRUGS AS CLOSE TO THE SOURCE AS POSSIBLE; (2) DOMESTIC LAW ENFORCEMENT, INCLUDING THE INTERDICTION OF THE DRUGS; (3) DETOXIFICATION TREATMENT; (4) EDUCATION AND PREVENTION, AND (5) RESEARCH. THE COAST GUARD'S ROLE FALLS WITHIN THE INTERDICTION PHASE AND IS DIRECTED AT ILLICIT MARITIME TRAFFIC IN CONTROLLED SUBSTANCES. DUE TO OUR UNIQUE MULTI-MISSION RESOURCE CAPABILITY AND BROAD ENFORCEMENT AUTHORITY, THE COAST GUARD SERVES AS THE PRIMARY U. S. LAW ENFORCEMENT AGENCY AT SEA. WE SHARE ENFORCEMENT RESPONSIBILITY WITH THE U. S. CUSTOMS SERVICE WITHIN CUSTOMS WATERS AND OF COURSE RECEIVE INTELLIGENCE SUPPORT FROM THE DRUG ENFORCEMENT ADMINISTRATION AND OTHERS WHEREVER WE ARE OPERATING. DEPARTMENT OF DEFENSE ASSISTANCE IS PROVING VALUABLE TOO.

TO PROVIDE THE NECESSARY COORDINATION OF EFFORTS, THE COAST GUARD PARTICIPATES IN VARIOUS FORMAL AND INFORMAL COMMITTEES AND TASK FORCES. AS COMMANDANT, I AM A MEMBER OF THE OVERSIGHT WORKING GROUP CHAIRED BY DOCTOR CARLTON TURNER OF THE WHITE HOUSE DRUG ABUSE POLICY OFFICE. A COAST GUARD CAPTAIN HAS BEEN NAMED TO BE THE DIRECTOR OF THE NATIONAL NARCOTICS BORDER INTERDICTION SYSTEM STAFF AT THE WHITE HOUSE, AND WE WILL BE PARTICIPATING ON ELEVEN OF THE TWELVE REGIONAL ORGANIZED CRIME DRUG ENFORCEMENT TASK FORCES BEING ESTABLISHED BY THE ATTORNEY GENERAL. REGIONALLY, COAST GUARD LAW ENFORCEMENT PERSONNEL COORDINATE EFFORTS WITH OTHER FEDERAL, STATE AND LOCAL LAW ENFORCEMENT PERSONNEL THROUGH LAW ENFORCEMENT COORDINATING COMMITTEES (LECC) AND LAW ENFORCEMENT ORGANIZATIONS (LEO).

A LOOK AT THE FEDERAL DRUG INTERDICTION EFFORT SHOWS THAT EACH OF THE FEDERAL DRUG LAW ENFORCEMENT AGENCIES SEIZE NUMEROUS TYPES OF CONTROLLED SUBSTANCES DURING THE ROUTINE COURSE OF ITS OPERATIONS; HOWEVER, EACH AGENCY'S PARTICULAR DEDICATION OF RESOURCES IN ACCORDANCE WITH MISSION RESPONSIBILITIES LEADS TO THE

INTERDICTION OF CERTAIN SPECIFIC DRUGS. MARIJUANA IS A BULK COMMODITY, COMMONLY SHIPPED BY SEA AND READILY DETECTABLE DURING AT SEA BOARDINGS. THUS, THE COAST GUARD SEIZES MORE MARIJUANA INTENDED FOR IMPORTATION THAN ANY FEDERAL AGENCY.

IN THE ATLANTIC REGION MOST DRUG TRAFFIC ORIGINATES IN THE CARIBBEAN, GENERALLY ALONG THE NORTH COAST OF COLOMBIA IN THE VICINITY OF THE GUAJIRA PENINSULA. HISTORICALLY, AS THE SMUGGLER HAS SAILED NORTH HE PASSED THROUGH ONE OF FOUR CHANNELS, OR "CHOKE POINTS," THEN PROCEEDED TOWARD THE BAHAMAS, FLORIDA OR THE GULF COAST. NOW, SOME VESSELS ATTEMPT TO AVOID THE LAW ENFORCEMENT PRESSURE OFF FLORIDA BY OFFLOADING FURTHER NORTH IN THE CAROLINAS AND OTHER PLACES ALONG THE MID-ATLANTIC OR NEW ENGLAND SEACOASTS. THE CHOKE POINTS ARE AN IMPORTANT GEOGRAPHICAL ADVANTAGE THAT PRESENT CONCENTRATED TARGETS. TWO OR THREE CUTTERS WITH HELICOPTERS CAN EFFECTIVELY COVER EACH PASSAGE.

THE NATIONAL NARCOTICS INTELLIGENCE CONSUMERS COMMITTEE ESTIMATES THAT APPROXIMATELY 60 PERCENT OF ALL MARIJUANA SMUGGLED INTO THIS COUNTRY IS TRANSPORTED BY SEA. COAST GUARD DRUG ENFORCEMENT STRATEGY IS DIRECTED AT INTERDICTING THOSE SHIPS HAVING THE HIGHEST POTENTIAL FOR TRAFFICKING IN LARGE QUANTITIES OF DRUGS. MOST OF THIS TRAFFIC IS CONDUCTED BY LARGER VESSELS (MOTHERSHIPS) INTENDING TO OFFLOAD THEIR CARGO TO SMALLER VESSELS ONCE THEY ARE ADJACENT TO THE U. S. COAST LINE. THESE MOTHERSHIPS ARE GENERALLY 60-200 FOOT VESSELS. ONE MOTHERSHIP SEIZURE MAY REMOVE AS MUCH MARIJUANA FROM THE SMUGGLERS AS WOULD 10-20 SMALLER SEIZURES CLOSER IN TO SHORE. IN SHORT, WE GET LARGER QUANTITIES OF MARIJUANA FOR THE EFFORT BY SEIZING MOTHERSHIPS BEFORE THEY DISPERSE THEIR LOADS.

TO MAKE THE MOST EFFECTIVE USE OF OUR RESOURCES, THEREFORE, WE ATTEMPT FIRST TO INTERCEPT MOTHERSHIPS IN THE CHOKE POINTS, TAKING ADVANTAGE OF THE SEASONALITY OF MARIJUANA CULTIVATION AND SMUGGLING. SECOND, CUTTERS ARE ASSIGNED TO PATROL THE HIGH SEAS AROUND THE BAHAMAS, TO INTERCEPT MOTHERSHIPS AND FASTER SMALL CRAFT WHICH FREQUENT THE AREA TO TRANSFER MARIJUANA. THIRD, PATROL BOATS FROM INSHORE

STATIONS PATROL CLOSE TO THE CONTINENTAL COAST TO INTERCEPT BOATS MAKING THE FINAL RUN INTO THE UNITED STATES. BARRIER PATROLS ARE CONDUCTED BY LOCAL UNITS WITHIN THE GEOGRAPHICAL LIMITS OF EACH DISTRICT ON THE EAST COAST. THESE DISTRICTS ALSO PROVIDE HIGH ENDURANCE AND MEDIUM ENDURANCE CUTTER SUPPORT FOR "CHOKE POINT" AND BAHAMIAN PATROLS. UNTIL 1982, THE ANNUAL LEVEL OF OPERATIONS IN THE SOUTHEASTERN U. S. EQUATED TO THREE CUTTER YEARS OF TIME. UNDERWAY TIME WAS SPENT RESPONDING TO INTELLIGENCE, PATROLS IN THE CHOKE POINTS AND OTHER AREAS, TRAILING FOREIGN VESSELS AWAITING AUTHORITY TO BOARD AND SEIZE, TOWING OR ESCORTING SEIZED VESSELS TO PORT, TRANSIT TIME, AND TIME DIRECTED FOR OTHER MISSIONS (PRIMARILY URGENT SEARCH AND RESCUE).

PURSUANT TO THE REQUIREMENTS OF THE VICE PRESIDENT'S TASK FORCE, THE COAST GUARD AUGMENTED THE SEVENTH COAST GUARD DISTRICT, HEADQUARTERED IN MIAMI, BY ONE ADDITIONAL CUTTER YEAR. TWO SURFACE EFFECT SHIPS HAVE BEEN PURCHASED AND ARE OPERATING OUT OF KEY WEST, WITH A THIRD VESSEL DUE TO ARRIVE SHORTLY TO COMPLETE THE SQUADRON. THE COAST GUARD ESTABLISHED A TACTICAL LAW ENFORCEMENT TEAM (TACLET) IN MIAMI, AND LAW ENFORCEMENT DETACHMENTS (LEDETS) IN SAN JUAN, AND KEY WEST, ALL OF WHICH CAN DEPLOY ON SHORT NOTICE ABOARD NAVY SHIPS OPERATING IN THE AREA. TO AID THE TASK FORCE IN COORDINATING INTERDICTION ACROSS AGENCY LINES THE COAST GUARD FACILITATED THE ESTABLISHMENT OF AN INTERDICTION OPERATIONS INFORMATION CENTER (IOIC) LOCATED IN COAST GUARD SPACES IN MIAMI. THE IOIC IS MANNED BY PERSONNEL FROM CUSTOMS, THE AIR FORCE, THE NAVY, AND THE DEPARTMENT OF DEFENSE AS WELL AS THE COAST GUARD. ADDITIONAL EFFORTS ARE BEING UNDERTAKEN SUCH AS INCREASING PATROL BOAT TIME TO ESCORT CUTTER SEIZURES IN THE REGION AND INCREASING AIR SURVEILLANCE AND RECONNAISSANCE CAPABILITIES. THIS HAS RESULTED IN THE FOLLOWING LEVELS OF OCCUPANCY IN THE MAJOR PASSES:

- AT LEAST 1 CUTTER IN THE YUCATAN CHANNEL 96 PERCENT OF THE TIME.
- AT LEAST 1 CUTTER IN THE WINDWARD PASSAGE (PRIMARILY THE HAITIAN MIGRANT INTERDICTION OPERATION UNIT) 97 PERCENT OF THE TIME.
- ONE CUTTER IN THE MONA AND ANEGADA PASSES 20 TO 25 PERCENT OF THE TIME.

I HAVE BEEN FOCUSING ON EAST COAST SMUGGLING. UNTIL NOW IT HAS BEEN OUR PRIME TARGET, ALTHOUGH WE HAVE HAD AN ONGOING EFFORT IN THE PACIFIC FOR SEVERAL YEARS. THE ATLANTIC EMPHASIS IS PRIMARILY A FUNCTION OF THE SHORTER TRANSIT ROUTES FROM THE MAJOR SOURCE COUNTRIES. HOWEVER, THE WEST COAST IS DIFFERENT. THE GEOGRAPHY IS VASTLY DIFFERENT; BUT IT IS NO LESS IMPORTANT.

WE EXPECT IT MAY INCREASE BECAUSE OF THE PRESSURE BEING EXERTED IN THE CARIBBEAN. WE ARE WORKING CLOSELY WITH FEDERAL, STATE AND LOCAL AUTHORITIES TO COMBAT THE FLOW.

COAST GUARD WIDE WE ARE PROCEEDING WITH EFFORTS TO PROCURE OFF-THE-SHELF TECHNOLOGY WHICH WILL ENHANCE OUR MISSION CAPABILITY. THESE ITEMS INCLUDE STABILIZED OPTICS AND NIGHT VISION DEVICES FOR OUR CUTTERS AND FORWARD LOOKING INFRA-RED FOR OUR AIRCRAFT.

DURING CALENDAR YEAR 1982 THE COAST GUARD SEIZED 3,535,985 POUNDS OF MARIJUANA, 9 POUNDS OF COCAINE, 3,190 POUNDS OF THAI STICKS, AND 61,628 DOSES OF OTHER DANGEROUS DRUGS.

ADDITIONALLY, THE COAST GUARD COOPERATED WITH OTHER AGENCIES IN THE JOINT SEIZURE OF AN ADDITIONAL 194,073 POUNDS OF MARIJUANA, 784 POUNDS OF COCAINE, AND 18 POUNDS OF HASHISH.

OUR PRESENT EXPERIENCE INDICATES THAT CURRENT INTERDICTION RATES HAVE LITTLE EFFECT ON SHORT-TERM MARIJUANA SUPPLY AND PRICE BECAUSE:

- A. MANY ALTERNATIVE SUPPLY SOURCES AND ROUTES EXIST.
- B. A LONG TERM EFFORT IS REQUIRED TO OVERCOME STOCKPILES AND PIPELINE SUPPLY THAT MAY NEGATE SHORT-TERM INTERDICTION EFFORTS.
- C. CURRENT INTERDICTION RATES STILL ALLOW FOR A PROFITABLE BUSINESS.

INTERDICTION RATES ALONE DO NOT REPRESENT THE BEST INDICATOR OF AN EFFECTIVE PROGRAM AIMED AT LIMITING THE SUPPLY OF MARIJUANA IN OUR COUNTRY. MOREOVER,

WE THINK THE CURRENT COAST GUARD EFFORT IS NOW NETTING ABOUT 30 PERCENT OF THE MARITIME SHIPMENTS. HOWEVER, RATHER THAN A SPECIFIC COAST GUARD INTERDICTION GOAL OF ANY GIVEN PERCENT, OUR LONG RANGE GOAL IS TO INCREASE OUR ENFORCEMENT CAPABILITIES TO THE LEVEL WHERE MARITIME SHIPMENTS CEASE BEING WORTH THE RISK.... WHATEVER THAT MAY TURN OUT TO BE. IF THIS IS DONE IN CONJUNCTION ALONG WITH ENFORCEMENT ACTIVITIES TARGETED AT LAND AND AIR TRANSPORTATION MODES, WE ESTIMATE A SUBSTANTIAL INCREASE IN OUR CURRENT NATIONAL INTERDICTION EFFECTIVENESS WILL OCCUR.

THERE IS NO DOUBT THAT THE LEVELS OF PRESSURE OUR AT-SEA INTERDICTION EFFORTS ARE APPLYING CAUSES DIVERSION OF DRUG TRAFFIC TO OTHER ROUTES, OTHER MODES OF TRANSPORTATION, OTHER SUPPLY SOURCES AND OTHER OFF-LOAD POINTS. FOR EXAMPLE, COAST GUARD PATROLS IN THE ATLANTIC COAST AREA NORTH OF SOUTH CAROLINA HAVE EXPERIENCED A 169 PERCENT INCREASE IN VESSELS SEIZED (FROM 13 TO 22), A 452 PERCENT INCREASE IN MARIJUANA SEIZED (FROM 132,000 LBS TO 595,000), AND A 252 PERCENT INCREASE IN PERSONS ARRESTED (FROM 56 TO 141) BETWEEN CY81 AND CY82. THIS MAY WELL BE DUE TO THE SMUGGLERS' ATTEMPTS TO GO AROUND THE ENFORCEMENT EFFORT IN THE FLORIDA AREA. IT PROBABLY ALSO REFLECTS OUR IMPROVED INTELLIGENCE, BETTER RESOURCE UTILIZATION, AND MORE EXPERIENCE.

THERE ARE ALSO STRONG INDICATIONS THAT OUR INCREASING PRESSURE HAS MATERIALLY AFFECTED THE OVERALL LEVEL OF MARITIME SMUGGLING ACTIVITY. DURING THE PERIOD FROM JAN 1 - MAY 1, 1982 THE COAST GUARD SEIZED 83 VESSELS FOR NARCOTICS SMUGGLING, AND INTERDICTIONED A TOTAL OF 1,461,279 POUNDS OF MARIJUANA. DURING THAT SAME TIME FRAME (JAN 1 - MAY 1) IN 1983, OUR FORCES SEIZED ONLY 37 VESSELS, CARRYING A TOTAL OF 466,424 POUNDS OF MARIJUANA. THE RESULT OF OUR CONTINUOUS ENFORCEMENT PRESENCE HAS BEEN A DROP IN SEIZURES. THIS I ATTRIBUTE, AT LEAST IN PART, TO THE DETERRENT EFFECT OF HAVING OUR FORCES IN PLACE. OUR INTELLIGENCE SOURCES CONFIRM THAT SOURCE COUNTRY SHIPMENTS ARE DOWN, AND THAT A SIGNIFICANT PORTION OF THE SMUGGLING COMMUNITY IS ADOPTING A "WAIT-AND-SEE" ATTITUDE, AS TO WHETHER OR NOT WE WILL SUSTAIN OUR EFFORTS OVER THE LONG RUN.

IN A RELATED EFFORT IN OCTOBER 1981 AS A PART OF THE HAITIAN MIGRANT INTERDICTION OPERATION (HMIO) THE COAST GUARD, FUNDED BY THE STATE DEPARTMENT, BEGAN TO WORK WITH THE HAITIAN NAVY TO TRAIN CREWS, REPAIR VESSELS AND PROVIDE FUEL. THE COAST GUARD HAS NO PLANS TO ALTER SUBSTANTIALLY OUR COMMITMENT TO THE HAITIAN MIGRANT INTERDICTION OPERATION IN 1984. OUR PRELIMINARY EVALUATION OF THE PROGRAM SHOWS IT TO BE EXTREMELY EFFECTIVE, DESPITE THE RECENT INCIDENTS OF BOATLOADS BEING SEIZED OFF THE FLORIDA COAST.

THIS PROGRAM HAS HAD OTHER SALUTARY SIDE BENEFITS. FOR EXAMPLE, OUR HMIO CUTTERS HAVE SEIZED 11 DRUG SMUGGLING VESSELS CARRYING 73,829 POUNDS OF MARIJUANA DURING THE EXECUTION OF THEIR MIGRANT INTERDICTION DUTIES. THE MERE PRESENCE OF A CUTTER IN THE WINDWARD PASSAGE ON A FULL-TIME BASIS HAS DONE MUCH TO AID US IN DISRUPTING THE NARCOTICS TRAFFIC IN THE AREA. WE HAVE ALSO CONTINUED OUR SELF-HELP AND MAINTENANCE PROGRAM WITH THE HAITIAN NAVY. THIS PROGRAM HAS GREATLY AIDED THEIR CAPABILITY TO COMBAT DRUG SMUGGLING IN THEIR WATERS, AS A RECENT UNASSISTED MAJOR "BUST" OF A SMUGGLING VESSEL ILLUSTRATES. THESE INITIATIVES WILL CONTINUE IN 1984.

THERE ARE A NUMBER OF ADDITIONAL INTERNATIONAL EFFORTS TAKING PLACE IN THIS HEMISPHERE INVOLVING THE U.S. COAST GUARD.

THE INTER-AMERICAN MARITIME INTELLIGENCE NETWORK (IAMIN) IS IN OPERATION LINKING THE U.S. COAST GUARD WITH THE COAST GUARD OR NAVY OF BAHAMAS, COLOMBIA, DOMINICAN REPUBLIC, ECUADOR, HAITI, HONDURAS, MEXICO, PANAMA AND VENEZUELA. WE ARE PROVIDING ASSISTANCE TO THE LESSER ANTILLES IN ESTABLISHING A COMMUNICATION LINK BETWEEN THE MANY ISLAND NATIONS TO PROMOTE INTERISLAND COOPERATION FOR DRUG INTERDICTION, AMONG OTHER THINGS.

IN NOVEMBER OF 1981 AN AGREEMENT WAS FORMALIZED, BY EXCHANGE OF NOTES BETWEEN THE UNITED KINGDOM AND THE U.S. UNDER ITS TERMS THE COAST GUARD MAY BOARD IN THE GULF OF MEXICO, CARIBBEAN SEA AND UP TO 150 MILES OFF THE

ATLANTIC COAST OF THE UNITED STATES, PRIVATE VESSELS FLYING THE BRITISH FLAG IF WE BELIEVE THE VESSEL HAS ON BOARD A CARGO OF DRUGS FOR IMPORTATION INTO THE U.S. IN VIOLATION OF U.S. LAWS. TO DATE THERE HAVE BEEN TEN SEIZURES UNDER THIS AGREEMENT.

ONGOING DISCUSSIONS WITH SEVERAL CARIBBEAN COUNTRIES WILL, I HOPE, PRODUCE SIMILAR AGREEMENTS TO ENHANCE OUR OPERATIONAL EFFECTIVENESS.

IN NOVEMBER 1981 THE COAST GUARD INITIATED INCREASED COOPERATIVE INTELLIGENCE EFFORTS, TARGETING THE MARITIME TRAFFICKERS IN THE CARIBBEAN SEA, GULF OF MEXICO AND WATERS OFF THE SOUTHEAST U. S. COAST. SINCE ITS COMMENCEMENT THESE ACTIVITIES HAVE LED TO 38 SEIZURES SOLELY ATTRIBUTABLE TO THESE EFFORTS AND CONTRIBUTED SIGNIFICANTLY TO THE OVERALL STRATEGIC DEPLOYMENT OF CUTTERS AND AIRCRAFT. THIS REPRESENTS 30 PERCENT OF OUR SEIZURES SINCE NOVEMBER. THESE 38 SEIZURES NETTED 806,586 POUNDS OF MARIJUANA AND 282 ARRESTS. THE OPERATION IS ALSO PROVIDING ENFORCEMENT AGENCIES WITH CURRENT TRAFFICKING TRENDS, INFORMATION ON THE MANAGEMENT PROBLEMS EXPERIENCED BY THE MARITIME SMUGGLER AND INCIDENTAL INTELLIGENCE ASSOCIATED WITH THE OVERALL INTERNATIONAL DRUG TRAFFICKING PROBLEM.

IN MY JUDGMENT IT IS TOO EARLY TO TELL IF OUR EFFORTS HAVE RAISED THE DETERRENCE LEVEL TO THE POINT WHERE LONG TERM PATTERNS OF MARITIME DRUG SMUGGLING HAVE CHANGED. HOWEVER, THERE IS LITTLE DOUBT THAT OUR EFFORTS ARE HAVING AN IMPACT. DRUG SMUGGLERS ARE BEING FORCED TO RESORT TO MORE DEVIOUS AND COMPLEX

STRATEGIES IN THEIR ATTEMPTS TO ELUDE US. AS WE CONTINUE TO SUCCEED IN INTERDICTING MORE AND MORE OF THESE VESSELS AND PROSECUTING THEIR CREWS, THE DETERRENT EFFECT WILL INCREASE. THIS MAY ALSO BE HELPED BY INCREASED INTERNATIONAL COOPERATION OR INITIATIVES WITH OUR CARIBBEAN NEIGHBORS.

PERHAPS SOMEDAY MARITIME DRUG SMUGGLING WILL BECOME TOO RISKY TO BE ATTRACTIVE TO SMUGGLERS. I CERTAINLY HOPE SO!

THAT CONCLUDES MY PREPARED TESTIMONY, MR. CHAIRMAN I WILL BE HAPPY TO ANSWER ANY QUESTIONS YOU OR THE MEMBERS OF THE COMMITTEE MAY HAVE.

DRUG LAW ENFORCEMENT STRATEGY

WEDNESDAY, JUNE 8, 1983

HOUSE OF REPRESENTATIVES,
SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL,
Washington, D.C.

The select committee met, pursuant to call, at 9:30 a.m., in room 2337, Rayburn House Office Building, Hon. Charles B. Rangel (chairman of the select committee) presiding.

Present: Representatives Charles B. Rangel, James H. Scheuer, William J. Hughes, Sam B. Hall, Jr., Mel Levine, Solomon P. Ortiz, Lawrence J. Smith, Benjamin A. Gilman, Lawrence Coughlin, Michael G. Oxley, Stan Parris, and Duncan Hunter.

Staff Present: John T. Cusack, chief of staff; Richard B. Lowe, III, chief counsel; George R. Gilbert, counsel; Edward H. Jurith, counsel; Michael J. Kelley, counsel; Joyce Clements, professional staff member; Ricardo R. Laremont, professional staff member; Elliott A. Brown, minority staff director; Brenda L. Yager, minority counsel; Sandra J. Boek, assistant minority counsel; and Sharon Wright, minority staff assistant.

Mr. RANGEL. The Select Committee on Narcotics Abuse and Control will come to order. I say good morning on behalf of the committee.

This is a further hearing in our series on drug law enforcement strategy, embracing a major segment of the select committee's oversight responsibility. On May 24 we heard testimony from Francis M. Mullen, Jr., Acting Administrator of the Drug Enforcement Administration, and from Adm. James S. Gracey, the commandant of the U.S. Coast Guard. Today we are examining another key agency in the Federal enforcement effort, the U.S. Customs Service.

We are happy to have Commissioner William von Raab as our witness on the activities and prospects of the agency he heads. I want to thank him for his cooperation with our committee thus far in preparations for this hearing. I am confident he will give us additional insight into how the Customs Service can make the most effective possible contribution to the Federal program against the international narcotics traffic.

The Customs Service, of course, has many responsibilities besides drug enforcement. Its forerunners go back to the first Congress, 1789, long before anyone worried about illegal drug shipments. But the interdiction of contraband narcotics at our borders has become one of the most crucial functions of the Customs Service, on which the welfare of millions of Americans depends most closely.

The effort of Customs in this field goes far beyond the visible work of inspectors at airports and other points of entry. Customs patrols monitor our borders by sea and air. The Service trains Customs personnel of foreign governments in interdiction techniques and works internationally through the Customs Cooperation Council.

There is concern in this select committee, frankly, about whether the Customs Service is being given sufficient resources to carry out its complex task in drug enforcement. The demands on the agency are growing with the increase in drug trafficking of all kinds, and with the formation of new interagency bodies requiring Customs participation, such as the newly created organized crime drug enforcement task forces and the National Narcotics Border Interdiction System.

In the face of these demands, of course, the administration is still talking about cutting 2,000 in fiscal year 1984. The Congress may take another look at this to see whether or not we should restore the threatened positions and, indeed, add new positions, but we will be dependent upon the insight given to us by the Commissioner before we reach these decisions.

We need a candid exchange, and Mr. von Raab can enlighten us on these problems, as well as other important points. We would like to know about the Customs role in the formation of an overall Federal drug strategy and about Customs relations with other important agencies in the enforcement effort.

I want to congratulate the Customs Service for the way it has carried out its responsibilities. I speak on behalf of the committee and the full Congress in giving you support for the fine work that you have done and, hopefully, support in the future for the plans that you may have.

One of the major pitfalls that we have in the Nation, and indeed in the Congress, is getting a feel that our efforts from the agencies and the departments are coordinated in the executive branch.

We in this committee have come together, representing different standing committees and subcommittees, so that the congressional effort would be coordinated. We are not satisfied that this same type of effort is being made by the executive branch, notwithstanding the individual cooperation of this committee and the Congress generally.

Mr. Gilman.

Mr. GILMAN. Thank you, Mr. Chairman.

Mr. Chairman, I would also like to welcome Commissioner von Raab, Mr. Corcoran and Mr. Hurley in joining us this morning. I want to commend you, Chairman Rangel, for continuing this important series of oversight hearings on Federal drug strategy. I think these hearings are extremely important at this time, with ever-increasing narcotics trafficking.

The U.S. Customs Service, along with the Drug Enforcement Administration and the U.S. Coast Guard, is one of the primary Federal agencies responsible for law enforcement and for halting narcotics at our borders. I would like to commend the Custom Service's efforts as part of the Vice President's task force and their work in our own State of New York for the work that they have done so successfully.

As a primary agency, the Customs Service is part of the organized crime drug enforcement task force and the new National Narcotics Border Interdiction System. In spite of the Custom Service's regular duties and their increased activities, we find that their 1984 budget has been cut.

As you pointed out, Mr. Chairman, this decreased budget could result in the elimination of a number of jobs. It has been estimated that some 2,000 Customs Service personnel could be eliminated as a result of these budget cuts—something that we should be concerned about.

I am interested in how Customs intends to handle this reduction in budget and to learn exactly what role it is playing in the new Federal strategy, in the new crime drug task forces.

Commissioner von Raab, we welcome you and we welcome your associates. We look forward to your testimony.

Thank you, Mr. Chairman.

Mr. RANGEL. Mr. Scheuer.

Mr. SCHEUER. Thank you, Mr. Chairman.

I want to congratulate you for carrying out this set of public policy hearings on drug interdiction. I have been a member of this committee since its inception, under the chairmanship of former Congressman Lester Wolfe. I have been active abroad, looking at our problems of interdiction, of cutting the flow of narcotics from abroad. I guess I visited Jack Cusack in his beautiful Paris apartment maybe 15 years ago.

I must say the whole scene is very depressing. This is not to cast the finger of blame or guilt at anybody, but the system isn't working. Year after year after year we are told by the enforcement people that we are not stopping more than 5 percent, or 10 percent at the outside, of the drugs that are coming into our country.

Today, we know that after spending several billion dollars on enforcement efforts, that all of the hard drugs are freely available in all of our major cities. They are available in our schoolyards, they are available everywhere freely, at a comparatively high price, which means that there is the necessity for an addict to support his habit.

We know that approximately 50 percent of violent crime in our cities is drug-related. At some point in time, one has to face up to the question, if our present system isn't working; with all the best efforts of our devoted law enforcement people, who are represented here so well today, we can't stop more than 5 or 10 percent of the narcotic drugs from coming into our country; if the best we can do is raise the price and raise the risk of being a pusher, so that that price has to be passed on, and we have to raise the price and raise the risk of being an addict, so that the addict is almost forced into a life of violent crime to support his habit, shouldn't we at some time have a painful re-evaluation, a painful, agonizing reappraisal of the entire institutional system with which we are trying to control narcotic drugs?

I know it is tough on those of us. Jack Cusack has devoted a lifetime to controlling narcotic drugs with the highest level of professionalism that this profession provides, as well as the men who are appearing here before us today, but it does seem to me at some time we ought to step back to the mountain top and see whether

enforcement is capable of doing anything more than stopping somewhere between 5 and 10 percent of the drugs coming in with an enormously increased price tag on the 90 or 95 percent that does come in, with all the primogenic characteristics that then places on both the pusher and the user.

I hope, Mr. Chairman, at some time we will consider that and at some point in time this morning the witnesses will respond to the question, "Is the system working and is it intrinsically capable of working?"

Thank you, Mr. Chairman.

Mr. RANGEL. Mr. Hall.

Mr. HALL. Mr. Chairman, just briefly, I want to compliment Mr. von Raab on the testimony that he has not given yet. I read his testimony. It is an excellent presentation. Even the little old lady who came in with the ivory pillbox I thought was very appropriate.

I am very encouraged by the progress that is obviously and evidently being made in the activities of the drug enforcement people: the DEA, the Coast Guard, Customs, and the FBI.

I believe that this thing is on an upturn as far as enforcement is concerned. As I say, I look forward to seeing if his testimony sounds as good orally as it did when I read it myself.

That is all I have to say at this time.

Mr. RANGEL. Mr. Levine?

Mr. LEVINE. I have no statement, Mr. Chairman.

Mr. RANGEL. Mr. Oxley.

Mr. OXLEY. I do not have a statement at this time, Mr. Chairman.

Mr. RANGEL. Let me thank you again, Commissioner. You may proceed. As you know, we have your full statement. That will be entered into the record without objection. You may proceed as you find most comfortable. Please introduce the people who are with you.

TESTIMONY OF WILLIAM VON RAAB, COMMISSIONER, U.S. CUSTOMS SERVICE, ACCOMPANIED BY GEORGE C. CORCORAN, JR., ASSISTANT COMMISSIONER FOR ENFORCEMENT; AND JOHN A. HURLEY, DEPUTY ASSISTANT COMMISSIONER FOR ENFORCEMENT

Mr. VON RAAB. Thank you very much, Mr. Chairman, and members of the Select Committee.

First I would like to introduce on my right Mr. George Corcoran, who is the Assistant Commissioner of the Customs Service for Enforcement. On my left is Mr. John Hurley, who is the Deputy Assistant Commissioner for Enforcement.

Just to describe briefly, their responsibilities encompass most of our enforcement efforts. They are responsible for the coordination, development, and direction of policy in the enforcement area.

I would like to thank all of you for the kind comments that you have made about the Customs Service and to tell you that the Customs Service appreciates the support and efforts of this committee and looks forward to working with it in order together to continue to try to fight this battle.

Mr. Chairman, as you know, the Customs Service is an old and proud agency with a rich heritage and a colorful background. It is our Nation's first law enforcement agency, and traditionally it has had a broad mission, including the collection of revenues and numerous activities in the law enforcement area, especially activities relating to the smuggling of contraband which include narcotics.

When I came to the Customs Service nearly 2 years ago, I was distressed to find that within Customs law enforcement activities generally had been somewhat de-emphasized under the previous administration. As Commissioner, I immediately set about correcting what I felt were deficiencies in the enforcement area, and rebuilding the enforcement capability of the Customs Service became my top priority.

Today, strengthening the enforcement posture of the Customs Service remains my top priority. We have significantly restructured the management of our enforcement activities not only in headquarters, but down to the regional level as well. We have attempted, whenever and wherever possible, to devote more resources and more attention to serious law enforcement matters.

I believe that in a relatively short period of time we have come a long way and have made some significant progress in our efforts to insure that the U.S. Customs Service functions as a highly effective law enforcement agency. I would point out that when I talk about enforcement, our first priority within enforcement is the prevention of narcotics smuggling.

I think, Mr. Chairman, that by anybody's standards today Customs can be regarded as a very aggressive agency that is doggedly determined to do the very best job possible to combat narcotics smuggling. In the past year the Reagan administration has taken several bold steps toward a solution to the drug problem facing this country.

Soon after I was sworn in as Commissioner of Customs, in October 1981, I was asked to make decisive moves to combat the drug smuggling threat in south Florida. I immediately relocated 102 Customs patrol officers from northern locations to the southeast and southcentral regions. Enforcement resources were also deployed in support of the Vice President's south Florida task force.

The first rotation of 256 Customs officers assigned to the Florida task force reported to Miami on March 15, 1982. They consisted of 89 special agents, 127 patrol officers, 11 inspectors, 1 analyst, and 28 support personnel. This first 3-month rotation cost about \$7.5 million.

After four rotations of 3 months each, the Customs established 91 new permanent positions over those 102 patrol officers that I spoke of in Florida. \$10.5 million has been budgeted for 1983, and \$8 million has been requested for 1984 to support those new positions.

From March 15, 1982 through May 16, 1983 the Vice President's task force has produced 1,292 arrests, 288 cocaine seizures, totaling nearly 4,200 pounds; 500 marihuana seizures totaling over 1.5 million pounds; 8 methaqualone seizures totaling over 157,000 dosage units; and at sea, 69 vehicles, 29 aircraft and 154 vessels, with a total value over \$14 million.

The true impact of these seizure numbers, however, is more dramatically measured by the tremendous uplifting in the spirits of

the people of south Florida. Every elected official from south Florida with whom I have talked has never failed to mention the thanks his or her constituents have expressed for the Federal effort there.

The people seem to have breathed a collective sigh of relief at being awakened from a horrifying nightmare, but the nightmare was real and the same threat still exists and always will. It is for that reason that south Florida will continue to be dealt with as a unique situation.

One fact which emerged from the effort in south Florida that cannot be ignored is that all of the Federal agencies which participated there worked together as a cohesive unit. There was none of that in-fighting between Customs and DEA that had been reported in the past. All of the men and women to whom I spoke who participated there had a tremendous sense of fulfillment.

The south Florida task force was an experiment that unquestionably worked, and the spirit of cooperation which existed there has continued in the working relationships among our agencies. In my opinion, cooperation among all of the Federal agencies involved with the overall narcotics effort has never been better.

In August 1982 President Reagan released his overall Federal strategy for prevention of drug abuse and drug trafficking, which drew on this interagency cooperation. This strategy has a heavy emphasis on education and prevention programs, in an effort to reduce the size of the drug use population, especially among our Nation's youth.

The drug law enforcement portion of the Federal strategy was prepared with significant input from the Customs Service. The strategy incorporated the recommendations of the report of the Working Group on Drug Supply Reduction to the Attorney General and the Cabinet Council on Legal Policy.

The membership of the working group included Customs Service personnel. In addition, Mr. Corcoran, the Assistant Commissioner, Office of Enforcement, chaired the interdiction task force, which reported to the working group.

I agree very strongly with the recommendations of the Federal strategy with regard to the interdiction of narcotics at the border. In fact, several of the recommendations have already been implemented.

The President's strategy called for the development and implementation of Federal initiatives to meet several objectives regarding border interdiction. I would like to stop for a moment on four of the President's objectives and the Custom Service's accomplishments in each of these.

The four objectives are developing policies and procedures for use of military assistance, now possible under the exception to posse comitatus, with emphasis on integrating requirements for drug smuggling information into military operational and training activities; two, increasing effectiveness of intercepting drugs smuggled by air and sea; three, increasing the effectiveness of interdiction at ports of entry; and four, improving follow-up investigations of interdiction seizures and arrests to enhance the quality of drug smuggling intelligence and prosecution.

In December 1981 Congress enacted legislation which clarified the posse comitatus statute to allow the participation of the military in certain drug interdiction efforts.

In conjunction with the President's objective in this area, and with tremendous cooperation from several congressional committees, most notably the House Subcommittee on Information, Justice and Agriculture, and the Senate and House Appropriations Committees, the Customs Service has been able to avail itself of a tremendous wealth of military resources.

The Department of Defense has been especially supportive and has loaned to the Customs Service Navy E2-C Hawkeyes or, as we call them, mini-AWACS, which are used to spot low flying aircraft; Marine OV-10's, or Broncos, which are used as tracker aircraft; and of particular importance, Army Cobra and Blackhawk helicopters for use as interdiction aircraft.

The Air Force has also provided excellent radar coverage from its SEEK radar balloon at Cujo Key and plans to provide us with information from an additional balloon in the Bahamas.

Mr. Chairman, I cannot overstate how valuable this assistance from the Department of Defense has been. For the record, I want to thank Secretary Weinberger for his assistance.

Together, this equipment has provided us with the punch necessary to keep air smugglers out of Florida, to make the smugglers' efforts extremely difficult and far more hazardous. If they still choose to run the gauntlet of this military arsenal, they greatly increase the risk of their being caught.

I mentioned before that the helicopters were of particular importance. Prior to the arrival of the Cobra helicopters, customs officers were required to take the same tremendous risks as the drug smugglers by landing their chase aircraft on backroads, on grass levees, or on deserted airfields.

By some miracle no customs officer was killed. However, many planes were totally destroyed. One crash in particular, in Cleveland, Tenn., came out after a lights-out chase across the South. The smugglers had landed at a closed airfield, and their accomplices had driven a car into the middle of the blacked-out runway. The customs officer followed in his plane, flying still with lights out, landed behind the smuggler and did not see the car until it was too late to avoid a crash. Somehow, the officers escaped the wreckage, amid aviation fuel spilled all over the runway.

Today, the risks are still great, although they are not nearly as high as before. The Cobra and Blackhawk helicopters give us the speed to keep up with the smugglers' aircraft and the ability to land immediately beside it. We are sometimes even able to arrest the surprised smugglers while they are still sitting in the plane.

I am glad to say that since we have been using these helicopters, when we have managed to be able to follow a plane all the way in, we have not yet lost a pilot, neither the customs pilot to any injury or the smuggling pilot to ultimate prison.

If we were to look for a measure of success in the military application in drug interdiction, the tremendous reduction of risk to customs officers must be considered. The more traditional statistical measures of success are also evident as well. In fact, just last

month all of the aircraft I mentioned were involved in seizures of over 1,500 pounds of cocaine.

The military involvement, as a result of the clarification of posse comitatus, has therefore had its greatest impact on our air interdiction capabilities. We are now looking to expand that as well to other parts of the United States, in particular along the Southwest border.

The President's drug strategy also directed the Customs Service to make a more tenacious effort to ferret out drug smugglers at our numerous ports of entry. To accomplish this, Customs has employed new and more effective methods of processing arriving passengers and cargo.

In my term as Commissioner I have stressed selectivity as the key to solving the so-called dilemma. For those of you who are not familiar with the term, the Customs dilemma is supposedly the contradiction that exists between two Customs missions.

On the one hand, Customs is to move passengers and cargo as expeditiously as possible, a mission that is known in the trade as facilitation. On the other hand, we are supposed to enforce the law.

The Customs dilemma has asserted that these two objectives were irreconcilable. I, however, do not agree with that. I have sought to institute more selective processing systems, to slap the simple traffic ticket violator on the wrist, or even not concern ourselves with him or her, and concentrate more on the hardcore criminal activity which we know exists.

Congressman Hall will be glad to know that if a little old lady were to come through Customs with an ivory pillbox, we would confiscate it from her and say don't do it again, whereas before an inspector would have been required to put her through the ordeal of a lengthy penalty procedure, tying up both the inspector's time and her's.

If the same lady were to come through Customs with a pound of cocaine, she could look forward to our customs inspectors spending all the time necessary to assure that she spent most of the next few years in jail. We are not overlooking small violations, but rather leaving more discretion to the inspectors.

If the little old lady with the pillbox were on a flight from Colombia to Miami, the inspector before would have been filling out the forms while a smuggler walked by with 20 pounds of cocaine. Today the inspector may leave the lady alone and spend more time looking for a smuggler.

We have also undertaken a massive program to streamline Customs air passenger processing systems around the country. New systems have recently been installed in Houston, Chicago, Los Angeles, and Miami. Monday, I officially opened the new systems installed at John F. Kennedy Airport in New York, which you may have read about in yesterday's New York Times.

All of these systems around the country have reduced waiting time significantly. In fact, on May 31, last Monday, the Miami Herald printed an editorial which praised the new passenger processing system there for its speed and efficient handling of passengers.

These new systems, while good news for the legitimate passenger, have also been bad news for the smuggler. At Miami Airport,

passengers are clearing the airport from the plane through Customs and out the door in less than 35 minutes. At the same time, the amount of cocaine seized is up by 80 percent. At Los Angeles, the long delays that were commonplace are all but gone, and the amount of cocaine seized in fiscal year 1982 was up 141 percent.

Finally, passengers will find less of their time taken up with filling out forms because we have completed revised customs declaration form. The revised form is being reviewed at the present time in the Treasury Department. It can be completed in half the time it took to fill out the old form, and I will also say that it is much more useful to the inspector in ferreting out smugglers.

Selectivity and simplicity, as in the process of passengers, are also our guiding principles in the handling of cargo. As you are no doubt aware, information on arriving cargo is submitted to us on an airline or vessel manifest, reams of paper that customs inspectors have to scrutinize.

There is no question in our minds about the need to automate this process, so we are working with the ocean carriers to absorb existing systems into a national standard. Success with the ocean carriers will undoubtedly help airline operations.

Right now we are working directly with the airlines to test the use of airway bills instead of customs manifests. That will save industry the expense of reproducing cargo information, but it will also permit us to try automated manifests again. Testing is already underway at JFK in New York and Los Angeles Airports.

These efforts are the product of a joint working group composed of air carriers and customs officials. Their net effect is more rapid treatment of passengers and cargo, with greater efficiency in the interdiction of narcotics.

Even in a time of increasingly austere budgets, I feel that Customs has exercised a high level of fiscal responsibility without sacrificing the necessary enforcement or services we perform for the business and trade communities, as well as the full range of the American public.

Finally, I would like to mention two other major responsibilities of the Customs Service; namely, our involvement in the President's 12 new organized crime drug enforcement task forces, and in the new National Narcotics Border Interdiction System.

Customs is a major participant in the new drug enforcement task forces, with our dedicated commitment of 200 positions. At the supervisory level, Customs is assigning a senior special agent to be in each of the task force's 12 core cities. The remainder of the 200 officers are primarily special agents and financial analysts who investigate criminal money laundering operations.

In addition to these customs officers, the principal enforcement officer for Customs in each of the 12 cities will serve on the task force advisory committee, which is designed to insure that each participating agency's mission and area of responsibility are effectively used on the task force projects.

Mr. Chairman, thus far Customs has hired people for 23 of the 27 locations where our officers will be located. We are moving rapidly to fill our allotted staffing ceilings in each of these 27 offices, and I feel we are well on track to becoming 100 percent operational shortly.

With regard to NNBIS, I perceive that the Customs Service will play a pivotal role in the development, implementation and coordination of this new system.

We have submitted a comprehensive proposal to the Department of the Treasury, where decisions about the level of Customs participation will be made. The program is still in its planning stages, but I am encouraged that the White House has addressed the issue of coordinating the many facets of the war against drug smuggling, and I look forward to a rapid implementation of this effort.

Mr. Chairman, all of the activities about which I have discussed today, our activities in trying to interdict drugs on the land, sea and air, are really all closely linked. We are really trying to do the same thing. We are trying to stop the drugs and put drug smugglers in jail.

I think, as you can see, the threat we face is a varied threat. But there is one area that impacts the threat as a whole, generally, and is an area that can help each component of our response and strategy to the threat function better. I am talking about the area of intelligence collection.

The collection and processing of both strategic and tactical intelligence is very important not only to the Customs Service, but to the Coast Guard, FBI, and DEA as well. The collection and processing of useful intelligence information is one major area that I feel could be and needs to be and is being vastly improved within the Customs Service. Like the other enforcement areas we have been working on, we have targeted the intelligence area as one that is and should be strengthened and enhanced.

I have formed a new office within Customs, the Office of Intelligence Support, that is tasked with devising and implementing a comprehensive plan throughout the Customs Service for the collection and utilization of intelligence data. Within the last 30 days, I have authorized 66 positions to be dedicated to this enhanced intelligence collection effort.

Mr. Chairman, it takes a long time to build up a credible system and network of intelligence collection, but we need to do it at the Customs Service and we are moving in that direction.

I think in time we will have constructed a very valuable and efficient intelligence operation which extends down throughout our regions and districts, and one which should help pay off immensely in our efforts to interdict drugs. This is another area in which I am personally interested and am devoting my personal attention to improve.

Mr. Chairman, I would also like to mention that there are, of course, some legislative remedies which would benefit not only Customs but those agencies which are involved in trying to do something about the terrible problem of narcotics, but would probably benefit law enforcement generally as well.

I have here a list of legislative measures that we feel would be helpful to our efforts if the Congress were to address them. They include such things as doing something about the problem of administrative forfeiture and helping to speed that up, tightening up of certain FAA requirements, which I understand is under consideration here in the House, and a number of other measures.

I would, if permissible, simply supply a list of them for the record.

Mr. Chairman, I look back on my 20 months as Commissioner of Customs, and I credit much of what has taken place in the effort to stem the flow of drugs into this country in large part to one dominant factor: Strong leadership from President Reagan.

He has developed a sound strategy to fight the total problem and has made swift and sure moves to halt the flow of drugs through south Florida, and he has led the way to developing a coordinated attack, using every tool available to the Federal Government.

When I became Commissioner of Customs, I was told by Secretary Regan to rebuild the Customs Service into the law enforcement agency that indeed it should be. I feel that we are well on our way to that goal. While drugs are still reaching our city streets, I feel that by any standard the Customs Service has been an immensely successful law enforcement agency.

Mr. Chairman, I have attached responses to all of the questions that you sent me on May 11. With your consent, I would like to have them submitted for the record.

This concludes my formal statement. I, and the gentleman with me, of course, would be happy to answer any further questions that you may have.

Mr. RANGEL. The full statement, without objection, will be entered into the record.

[Mr. von Raab's prepared statement appears on p. 295.]

Mr. RANGEL. Let me join with you in expressing loyalty to the President of the United States, that was never in question. However, I assume that your testimony supports the idea that a reduction in Customs, which is proposed to be 20 percent in terms of customs inspectors, and an overall reduction of 2,000 in positions, is it part of the President's program to strengthen your department?

Mr. VON RAAB. Are you asking me? Is that a question?

Mr. RANGEL. I just want to make it clear that it seems as though you are saying that you can do just as well, or a better job, with these proposed budget cuts which historically the Congress has always disagreed with OMB and restored the cuts. But this is a part of the strength and the enforcement aspect of Customs—this reduction has been well thought out, I assume.

Mr. VON RAAB. The proposed reduction in personnel in the Customs Service does not directly pertain to the resources that are being used by the Customs Service to fight the drug smuggling effort. We have tried to make sure that the reductions are in areas which will not affect our efforts to interdict narcotics.

I believe that the way we have constructed the personnel deployment which and if we should have that budget will not reduce present efforts.

Mr. RANGEL. That is why we have got to have more exchanges because we were under the impression that most of your law enforcement and the fine work that all of the members, loss has been in the area of your inspectors that historically have been doing an outstanding job.

Now, I guess your response is that even though you will be losing a substantial number of these positions and these people that that

loss would not be in the area of narcotic law enforcement nor would it be felt.

Mr. VON RAAB. First, I would like to point out that there are some discussions taking place between the administration and at least the Department of Treasury, and various committees who are responsible for the Customs budget with respect to the levels of the Customs Service personnel.

Mr. RANGEL. Now, that would be helpful, and if you want to stop there perhaps we can arrange to work with you to see whether or not we can join in this beefing up of the efforts of Customs.

Mr. VON RAAB. The way we would make the reductions would be to take actions that would not reduce the review that would take place of the smugglers coming in, but would be actions that would basically, in some cases, close ports, or reduce hours of service, or take other actions that we feel would not hamper our ability to prevent drug smugglers from coming in.

Mr. RANGEL. It is not hampering, this is a part of the strengthening. Let's go to the education and preventive part. You know, this committee does not apologize for lauding the effort of Customs but you seem to want to go beyond that to believe that there is a well-thought-up, coordinated effort by this administration, with the support of Congress, to eliminate the threat.

All we find back home is an increase in consumption, an increase in availability, an increase in purity, and it is very frustrating. But a part of your testimony this morning that you touched on was an increase in education and prevention. Now, a lot of this is probably missing us, with the exception of the comic book, and the visits, you know, that are made periodically to the district.

Could you refer us to any increase in the administration's education prevention research as it relates to addiction?

Mr. VON RAAB. I would not get into that area only because it is not my particular responsibility.

Mr. RANGEL. I never intended to bring it up until you raised it.

Mr. VON RAAB. Well, I did raise it and I was attempting to summarize some of the strategy for you, mostly for the record, is Dr. Carlton Turner's responsibility. I know that he has a fair amount of effort in that area and the Customs Service has assisted to some degree by providing our own inspectors who are visiting classrooms, et cetera, and actually we have also given him the benefit of some of our own experience and expertise.

But if it is all right with you, I would prefer to defer that answer to Carlton Turner because it really is his area of responsibility and I would just be attempting to speak for him, and I am not an expert in the world of education.

Mr. RANGEL. You are an expert in what you do best and you are doing a good job with it, and I do hope these rethinking and renegotiation of your staff needs, especially since some of your inspectors are doing education and preventive work as well as law enforcement work, that we can take another look at the proposed cuts.

In any event, I will be asking the Members and staff to communicate with you whether you think it would make any sense, perhaps, to get the heads of these departments together, perhaps with an all-day conference with interested members of conference to see

how your coordinated effort makes as much sense as the testimony that we are receiving from individual agencies and departments. Because I think it might be better if we had a good understanding of how this effort is being coordinated.

We met with the Coast Guard. They have jurisdiction over the air interdiction, at least it is limited. I understand that you will be getting planes, new planes, air interdiction.

We don't know now who is in charge of coordinating air interdiction or do you share that with the Coast Guard? They have air-planes.

Mr. VON RAAB. The Customs Service is responsible for the interdiction of smuggling by air.

Mr. RANGEL. OK.

Mr. VON RAAB. However, the Coast Guard, obviously, deploys planes to assist it in identifying smuggling on the high seas. Although we work together, but specifically——

Mr. RANGEL. Is it cut off in terms of how far away it is from our borders?

Mr. VON RAAB. The Coast Guard and the Customs Service basically have a cutoff at 12 miles. But between 3 and 12 miles, which are known legally as Customs waters, we are both operating. So that there is no bloody-minded jurisdictional approach in which the Coast Guard would leave someone at 12 miles or at 3 miles. I mean, we do work together on those matters.

But basically the Customs Service is responsible for the interdiction at the landing, as the goods would be landed, so to speak. But you can think of the landing as taking place several miles out, because at that point it is obviously being brought in, whereas, the Coast Guard is more responsible for activities taking place on the high seas.

Mr. RANGEL. In terms of numbers of planes: How many planes do you have?

Mr. VON RAAB. We have approximately 65, about 65.

Mr. RANGEL. How many would the Coast Guard have?

Mr. VON RAAB. Now, I just wouldn't even know that. I don't know how many they have. But their planes are outfitted—I would assume they are outfitted slightly differently. Our planes are designed to track other aircraft and they are not designed, that is, they do not have sensors on them that are designed to track or to pick up ships.

Mr. RANGEL. I will have to leave the hearing to open up a Ways and Means subcommittee hearing. Mr. Gilman will continue to conduct our hearing until I return. Thank you.

Mr. GILMAN [presiding]. Thank you, Mr. Chairman.

We will try to abide by the 5-minute rule and call on the members in the order in which they arrive.

First, I would like to ask just a few questions of our Customs Director and Commissioner.

Mr. von Raab, I note that the New York Times recently reported that of \$5 million allocated to your department, only some \$451,000 had been spent for the drug task force, and some 139 positions had been created but only 44 positions had been filled.

Can you tell us where you stand at the present time with regard to those statistics, and why so little of the funds have been utilized?

Mr. VON RAAB. Yes. First, the Times did not obtain those figures from the Customs Service, so they are inaccurate with respect to the Customs Service.

Mr. GILMAN. Would you tell us where the accurate figures are then?

Mr. VON RAAB. Mr. Corcoran will fill you in on what the accurate figures are as of June 7.

Mr. GILMAN. Mr. Corcoran, would you provide your title for the record?

Mr. CORCORAN. I am the Assistant Commissioner for Enforcement.

Mr. GILMAN. Thank you.

Mr. CORCORAN. The Customs allocation under the President's Organized Crime Task Force is 200 positions. We currently have 83 of those positions in place and when I say in place, they are the experienced agents which have moved over into the task force.

Part of the problem is the fact that we had several agencies involved and they had the coordinating committees both at the core city and at the major city task force level had to get their act together as to where they were going to be located, and so forth.

Also, the major effort was to select those major narcotic targets and cases. And groups in each of the major cities jointly selected and concurred on what cases they would go for and they, in turn, sent these cases up to the Justice Department.

As I understand it, there would be only the first round of cases that Justice would more or less approve and review. After that it would be pretty much the U.S. attorney and the heads of the various agencies.

That took some time and we, of course, did not allocate agents to the task force until we had investigations selected and targeted to investigate.

A lot of us have ongoing cases, some major cases, that we are currently working on from the standpoint of Customs and financial task forces, with 22 financial task forces.

Many of those cases have been selected to be a part of the major Presidential task force with the combined efforts of Justice and Treasury aimed at them.

We have also recruited the backfill and we are, I think, pretty close to 134 positions. We only got our second allotment of 66 positions within the last couple of weeks. So I think from our standpoint we are pretty much on track as far as having our people in the task force and backfilling behind it.

Mr. VON RAAB. Thank you. Just to add to that, in other words, the agents will be there when the work is there to be done, and the work isn't there to be done technically until the U.S. attorney has certified that a case is a part of the narcotics task force.

So the Customs Service is fully prepared at this point in time to have 134 agents, which is the allotment we have now from the Justice Department. They are holding back 66 positions of funding for that.

Mr. GILMAN. You mean there isn't sufficient work for those additional personnel?

Mr. VON RAAB. No, they are all working but there is a technical aspect to this, and that is that there are cases officially certified

and identified as being within the task force, and until agents are working on those specific named cases they are not regarded as actually working in the task force yet.

Mr. GILMAN. Those cases are available now for work?

Mr. VON RAAB. They are being identified.

Mr. GILMAN. What takes such a long period of time to get things underway here? These funds were appropriated, as I understand it, at the end of last year, and here we are almost a year later, and you still have only utilized a small portion of that fund.

How much of the funds available have you utilized, Mr. Corcoran?

Mr. CORCORAN. We have utilized the funds for 134 people to actively recruit replacements for the agents who have been assigned to the task force.

Mr. GILMAN. Are those 134 new people?

Mr. CORCORAN. Yes. See, we will assign experienced agents to the task force.

Mr. GILMAN. Are they in place now?

Mr. CORCORAN. Most of them are, yes. We either have been selected and are waiting for full fields and are in the process of—you know, they cannot come on board until we complete a full field, which is a couple-month process. But we have selected just about everyone except for some clerical. The agents have been selected.

Mr. GILMAN. When will that process be completed, Mr. Corcoran? When will they really be on line and working?

Mr. CORCORAN. Well, 134 will be on line within the next couple of weeks. Most of them have been selected and we do full fields.

Mr. GILMAN. There is a training period after the selection; isn't there?

Mr. CORCORAN. Yes.

Mr. GILMAN. Have they gone through the training yet?

Mr. CORCORAN. No, no.

Mr. GILMAN. How long will the training take then?

Mr. CORCORAN. It depends on the agents. If they are experienced agents from other services they will go through 6 weeks of Customs school. If they are brand new agents and have not been in enforcement before, they go through 13 weeks of training. But again, this is a backfill agency.

Mr. GILMAN. So you are talking about possibly another 4 or 5 months before these people will be available to be utilized on the frontline; is that correct?

Mr. CORCORAN. I would say about another 3 or 4 months, yes.

Mr. GILMAN. That is what I am questioning. What is taking such a long period of time in such a critical area of much needed personnel? You were talking about a budget reduction; tell us why there has been such a delay in utilizing it?

Mr. VON RAAB. Let me try to break this into two points.

Mr. GILMAN. Let me say this to you. Congress tries to respond to a critical need and I think we have properly responded. What I am curious about is why the bureaucratic administration hasn't utilized the assets we have made available to address this critical problem.

Mr. VON RAAB. There are at this point in time 134 trained agents that the Customs Service will be employing, that on board today, that will be employed—

Mr. GILMAN. You selected them.

Mr. VON RAAB. No. Please let me explain.

We had approximately 670 agents at the end of 1981. Now we have an excess of 800 agents on board. The 670 agents were experienced. Of those 670 agents, we have selected 134 who we are putting into and already have 86 of them operating today in the President's Drug Task Forces. The other, the difference between 86 and 134 are there, they are working, they are investigating. They are working cases that will be identified and named as drug task force cases.

It is a semantic issue as to whether the case that they are working on is a drug task force case yet or not.

The recent hires are agents that are hired to do the work that these agents were doing 2 years, other cases of a lower priority, not drug cases. They will be doing commercial fraud, other activities. Therefore, the moneys that have been made available to the Customs Service to operate in the President's Drug Task Force are already supporting 134 agents.

The problem we have here is a semantic one of what is a drug task force case? The Justice Department has decided that drug task force cases should be reviewed carefully before they are officially adopted as a case. There are many cases out there that are being worked right now that will be drug task force cases but the Justice Department has not officially certified them as such. Until the case is officially certified technically—technically, not in reality, but technically—the agent working on that case is not working a drug task force case.

Mr. GILMAN. So that I fully understand you, you feel you have adequate personnel. You are just waiting for an inventory of cases; is that what you are telling us?

Mr. VON RAAB. We are waiting for the official designation by the U.S. attorney of a case that the Customs Service is working today as a task force case.

Mr. GILMAN. You have adequate personnel to meet what has been assigned then?

Mr. VON RAAB. We feel that we have a number of agents in the Customs Service that are adequate to all the responsibilities that Customs has and we are bringing them on board, and we continue to bring them on board, through internal programing as quickly as we feel we can do responsibly. In other words, as you pointed out, they must be selected, they must be trained, they must have all sorts of investigations.

We feel that in terms of Customs, we are hiring agents as fast as we can do it and still have first-class agents of good training, and all of the other professional credentials that are necessary.

Mr. GILMAN. I would hope that you would try to fulfill these needs in a much more expeditious manner in the future and make use of the funds that the Congress has made available to you.

You have indicated how successful a Florida task force was because the funds were made available and the personnel made available, and yet it seemed to me that there was a borrowing from

Peter to pay Paul here to take personnel from other parts of the country and put them into this critical area in Florida, and as a result of that shifting of personnel and funds you were able to do a better job; is that correct?

Mr. VON RAAB. We closed two regions in the Customs Service and saved almost 200 positions, most of which we put into the Florida operation; that is correct.

Mr. GILMAN. Was the Florida operation more successful because you brought together more personnel and more funding and concentrated it in one area; is that why you were successful?

Mr. VON RAAB. I would say that that is obviously part of the success. I think the major success, and the major reason for the success of Florida, was the good cooperation that developed among the Federal and State law enforcement authorities, in which we all pulled together. That is the major source of success of Florida.

Mr. GILMAN. Are you utilizing and implementing the lessons of the Florida task force in other task forces now? Have you tried to pull together those agencies in other areas?

Mr. VON RAAB. Not in exactly the Florida design. But, yes, I think that the working relationships on the operational level between DEA, Customs Service, and the Coast Guard are probably much closer and much better than they have been, certainly, in years.

Mr. GILMAN. You mentioned you closed down some of the other areas. Which areas did you close down?

Mr. VON RAAB. We closed down the regional offices in Baltimore and in San Francisco.

Mr. GILMAN. Did that have any impact upon the effectiveness of your agency to handle narcotics problems?

Mr. VON RAAB. Yes, considerably more effective, because we took the people that previously were processing paper, which was largely generated because of all sorts of governmental personnel and other requirements and we put them on the line fighting the drug war.

Mr. GILMAN. I believe my time is up.

I call on the gentleman from Texas, Mr. Hall.

Mr. HALL. Thank you, Mr. Chairman.

I would like to get back into these 2,000 positions in Customs that Mr. Reagan wants to cut. From some prior testimony that we had it appears that of the 2,000 positions in Customs that he wishes to abolish, 820 would be inspectors, and 98 patrol officers would be included in the 2,000 numbers.

Of course, Congress refused to go along and we came back and brought the 2,000 back in and added, I believe, 650 new positions, which included 450 inspectors, 150 import specialists, and 50 patrol officers.

The Senate put the 2,000 back in but did not add any additional personnel.

It is difficult for me to understand how you can operate as efficiently and try to interdict drug traffic at the border when you are going to be faced with the abolition of 820 inspectors and 98 patrol officers.

You said you have closed the Baltimore office. We have had testimony that 1 of the 12 new areas in the United States that they are

opening up, starting with New York and Baltimore, I think, was the second on the list that I read in this testimony; Atlanta, Houston, Denver, all over the United States.

To me there is something about that that doesn't make sense. I wish you would explain that.

Mr. VON RAAB. I will try to explain it. I have been trying to explain this to many committees and I am not sure I have been successful but I will try again.

The Customs Service has a diverse number of responsibilities, some of which are basically commercial and revenue collection. They are not what you and I would think of as criminal enforcement responsibilities. Many of those responsibilities are carried out by import specialists and inspectors who are carrying out straightforward commercial-type work.

The practices and systems that they use to do that work are archaic and, therefore, in addition to that there are many customs locations that probably reflected a need 200 years ago but are not necessary today, certainly if you are trying to think of the efficient use of personnel. I mean, it may be nice to have a customs border crossing somewhere but the cause today is not what we would think is necessary to put a customs officer there.

So the reductions that have been proposed are targeted at efficiencies in the commercial area in which inspectors are involved as well as other inefficient or overstaffed aspects of what Customs is doing.

As far as the use of inspectors to interdict narcotics is concerned there is a limit to the number of inspectors that can operate effectively in any airport. We feel that the additional training that we have been giving and the additional approach that we have taken, which I have tried to describe somewhat in my testimony, and that is in which we are taking the inspector's mind or his emphasis off of the law-abiding citizen and training him or her up to concentrate on the smugglers, will actually provide us with a considerably greater number of enforcement officers. Therefore, it is for those two reasons: that is, the elimination or the changing of outmoded practices and procedures as well as the emphasis on criminal smuggling away from the normal traveler that we feel that would allow us to reduce the Customs personnel.

Mr. GILMAN. If the gentleman would yield, I am being called to another hearing and have asked Mr. Hall if he would take over the Chair.

Mr. HALL [presiding]. I appreciate your answer. I am not fairly satisfied yet that we need to cut any people out of Customs. I don't think it is the will of the Congress that 2,000 positions be cut out of the Customs Service. I think we need every man that we can get, and woman that we can get.

Now, getting into one other thing, and my time is drawing nigh, and this may be a very elementary question.

You mentioned the difference of being a difference between an airway bill instead of a customs manifest. What is the basic difference between those two designations that you mentioned in your testimony?

Mr. VON RAAB. The customs manifest was a specific form that the Customs Service required, an additional form that we required.

Now we are basically willing to rely on the standard commercial documents that are available. It is just an effort on our part to reduce the amount of paper that we are creating as opposed to what the trade would create on its own.

Mr. HALL. My time is up.

The gentleman from California, Mr. Levine.

Mr. LEVINE. Thank you, Mr. Chairman.

I commend the Commissioner both for his testimony and for his legal skills in responding to the gentleman from Texas questions.

I am seeking information in terms of those areas of the country that are today the principal areas for drug smuggling. What are the top two, three, four areas and can you break it down in terms of any type of quantitative figures?

Mr. VON RAAB. We can try. Mr. Hurley is, among other things, responsible for our intelligence operation. I would ask him to answer this question but to tell you, we have to think about drugs in terms of heroin, cocaine, marihuana, and then others.

Mr. LEVINE. I would be interested in whatever ways you break it down.

Mr. VON RAAB. They all come in different ways, different times. Mr. Hurley, I think, will be able to give you some help on that.

Mr. HURLEY. I am John A. Hurley. I am responsible for enforcement support which includes as the Commissioner indicated, the intelligence function within the Office of Enforcement.

As the Commissioner indicated, our primary thrust in Enforcement is against narcotics, dangerous drugs, and marihuana. With regard to heroin, we are particularly looking now at three major sources. One being the Southwest Asia; the second being Southeast Asia, the Golden Triangle; and the third being an amalgam of both wherein their labs are now moving or mobile.

Earlier the chairman had mentioned Mr. Cusack's experience. He and Mr. Corcoran had worked together some years ago in tracking down the various labs which in the early seventies were typically located in France, particularly in the Marseilles area.

With regard to heroin and to some extent cocaine, we are dealing with drugs of tremendous value and very, very small volume. In the case of heroin, what we are now looking at is commercial cargo importation. For example, last year a major seize of heroin in the New York seaport wherein the heroin was concealed in expresso machines imported in commercial cargo.

We are also looking at body carriers. For example, recently we had body carriers and false bottom suitcases at JFK Airport. One on April 1 was 4 pounds, one on April 3 was 12 pounds, one on May 27, again at JFK, was 10 pounds.

We feel that these seizures at JFK, since April 1, justify the procedures that we are now putting into place there.

Mr. LEVINE. Excuse me.

Mr. HURLEY. Sure.

Mr. LEVINE. Perhaps I didn't make my question clear.

What I am seeking information on is the port of entry in this country. What are the principal ports of entry?

Mr. HURLEY. It is a bit of a conundrum. If we knew better, we would be doing better. But to the best of our knowledge, heroin is

probably entering through some of the major commercial cargo seaports and major passenger airports.

Classic examples would be New York City with regard to the seaport and to the airport, and on the far west coast a strong probability of entry would be either air, land, and possibly sea, what we call the Vancouver corridor.

Mr. LEVINE. What is the Vancouver corridor?

Mr. HURLEY. It is basically the methods of entry from particularly the Asian population of the Vancouver area into the various populations of our west coast.

Mr. LEVINE. Would that go as far south as southern California or would that stop up in north Washington? How far south would it go?

Mr. HURLEY. Because of the value, heroin will go where the market is and where the chain will take it.

Mr. VON RAAB. We have recently made a 90-pound seizure in an Oakland mail facility, for example.

Mr. LEVINE. Does Customs have knowledge at its disposal as to what cities in the United States are the principal ports of entry?

Mr. VON RAAB. Let me try to just run over them quickly. Heroin: New York, Los Angeles, the Vancouver corridor, are probably the major, and some of it comes through Honolulu. You know, that is similar to Los Angeles. I mean it is the same line.

Marihuana, largely the Southeast, brought in by sea. Some of it, very little of it, by aircraft, but, you know, very few body carriers with marihuana except for personal consumption.

Then there is also some obviously carried across the Mexican border.

As far as cocaine is concerned, that is largely a southeastern phenomena, centered around Miami, and you could just draw ever-increasing circles as you go out because the distribution net is in Florida.

Very little cocaine of a commercial character would come into the northeastern cities or the west coast.

Mr. LEVINE. Let me just ask you a few brief followup questions on it.

Subsequent to your south Florida operation, has the Southeast or south Florida been reduced considerably in its significance in terms of the extent to which that was a port of entry for any of these dangerous drugs?

Mr. VON RAAB. To some degree the introduction of cocaine and marihuana directly by air has been reduced substantially.

Mr. LEVINE. Would your operations in south Florida have potential applicability in the same fashion that they did in south Florida in southern California?

Mr. VON RAAB. No.

Mr. LEVINE. Why?

Mr. VON RAAB. Because this is the interdiction effort. The patterns of importing the stuff are just different. I am not saying that we could not have a good joint operation with the Coast Guard but it is just a little different in the Caribbean and the southeastern area because of all the chokepoints and Cuba is there, so they have to fly around and avoid that, and do various things.

So it is a little easier to know where they are going in south Florida—it is not very easy to stop them—whereas, the Pacific, there are no similar patterns. There is a lot of traffic that would go through maybe Belize or something and then across into the Southwest.

As far as the Pacific is concerned, probably not a similar operation.

Mr. HALL. The gentleman's time has expired.

Mr. LEVINE. My time is up. I would like to follow this up with you at some subsequent time.

Mr. VON RAAB. I would be delighted to come up and talk to you about it or you can come down to Customs and we would be delighted to go over this.

Mr. HALL. We have a vote on at this time. We will recess until 11 o'clock.

[Recess.]

Mr. HALL. The select committee will come to order.

The gentleman from Texas, Mr. Ortiz is recognized for 5 minutes.

Mr. ORTIZ. Thank you, Mr. Chairman.

I know I came in a little late and maybe I did not hear all of the statement, but you mentioned that before you get involved in a case, the Justice Department has to decide to review it. Am I correct? I am talking about the task force.

Mr. VON RAAB. No; to some degree there is a little bureaucracy that has been established with respect to this task force. It has nothing to do with whether the agents investigating the case or are doing their job, or whether they have the resources.

It has to do with whether the case will be officially listed on the register of task force cases. Before the Justice Department will certify a case they want to make sure that it is of a quality and of importance that it should be given the full resources of the task force in an effort to prevent cases of less importance which will be handled in the ordinary fashion by the enforcement organizations, and make sure that the cases that are given the full panoply of the treatment by the task force be first class, very important, significant cases. That is really what I was saying.

Mr. ORTIZ. Let me see if I understand correctly now. Maybe I still don't get the point. Now, when you are talking about reviewing this case, are you talking about Customs or are you talking about the task force?

Mr. VON RAAB. I am talking about a Justice Department review for purposes of accepting it in the task force. Customs is consulted and is involved in that discussion but the decision is largely made by the U.S. attorney working with the Justice Department officials.

Mr. ORTIZ. If I understand correctly, one of the reasons this task force was implemented was the seriousness of the problem that we have.

Mr. VON RAAB. Right.

Mr. ORTIZ. Then to continue to tie it up by reviewing the case before the task force, I am assuming that it is a very important case, and to be wasting time to initiate an investigation, maybe I still don't—

Mr. VON RAAB. No; the case has already been investigated. Everyone is working on it. It is just a higher level of bureaucrats

before they give it their official stamp that says task force case, they have to review it. But their agents are still investigating it and it is being worked on.

Mr. ORTIZ. Going back to the manpower problem in which the chairman, Mr. Hall, mentioned the 2,000 people. Of course, there are many agencies that are involved, for example, the DEA. To what degree does the task force and Customs get involved in intelligence operations? Do you get down to the undercover work?

Mr. VON RAAB. I am sorry, I didn't fully understand that question.

Mr. ORTIZ. OK. Does Customs do any undercover work besides gathering intelligence?

Mr. VON RAAB. Oh, yes; and maybe Mr. Corcoran, who has got many years of experience can give you some examples.

Mr. CORCORAN. Yes, in the task force particularly, our role is primarily the financial side of the task force. As you know, DEA is the lead agency in drug cases, major drug conspiracy cases. Ourselves and IRS in the task force concentrate on financial investigations but even in the financial investigations we do with IRS, DEA, the FBI, perform undercover roles in the financial investigations. There are various roles we have to play undercover.

In our nonfinancial, of course, we, like every other agency in drug smuggling, arms smuggling, also work undercover.

Mr. ORTIZ. So the DEA at this point, and I know it is a separate arm, does most of the legwork as far as being able to make the buys and gather the evidence.

Mr. CORCORAN. Well, DEA is the lead agency on the investigation of drugs. When we make a seizure at the border we turn all of our seizures over to DEA.

The substantive drug cases, drug conspiracies, the major drug targets are identified and worked by DEA.

The financial aspects of those same targets, IRS and Customs are working with DEA and the FBI on those cases.

Our role is primarily the financial side of the case.

Mr. ORTIZ. Do you utilize the ARI in your operations?

Mr. CORCORAN. Air operations?

Mr. ORTIZ. ARI, which is the type of radar system that is able to detect, among other things, smuggling and oil spills. I know the Coast Guard is utilizing it in some areas. It is very expensive equipment.

Mr. CORCORAN. Maybe John Hurley can answer that. He is our technician.

Mr. HURLEY. Mr. Ortiz, we are utilizing the FLIR radar, the forward-looking infrared radar. That has been very, very successful in a number of our air interdiction operations. It also has some limited application in looking for surface targets, but it is mainly utilized in our air-to-air, and very successfully.

Mr. ORTIZ. Another question, if I may, Mr. Chairman. How is manpower distributed among the 12 task forces?

Mr. CORCORAN. I can give you the exact figures, if you wish. There are 24 locations, 12 task forces in 12 major cities within the core task forces. Customs has 200 positions spread out according to the potential of our financial aspects of the cases in each of those areas, and they range from a minimum of 2 to 8 to 10 agents.

Within Treasury there are 500 agents, 225 IRS agents and 75 ATF agents, who are also distributed among the 24 locations. With that, you also have 700 and some FBI and DEA, as well as some Coast Guard intelligence officers.

Mr. ORTIZ. Do you utilize local law enforcement agencies in these task forces?

Mr. CORCORAN. Yes; it is anticipated in the task force that we will be working with local State police. The DEA, in fact, will actually help subsidize any overtime work for support by State and local police in the task forces.

Mr. ORTIZ. Thank you, Mr. Chairman.

Mr. HALL. The gentleman's time has expired.

Mr. Oxley, the gentleman from Ohio, is recognized for 5 minutes.

Mr. OXLEY. Thank you, Mr. Chairman.

Mr. von Raab, you have commented in your opening remarks about the attempt to beef up your intelligence operation within Customs.

I wonder if you could expand on that a little bit and tell us particularly whether Customs in the past has used paid informants or, if not, whether that is part of the ongoing increase in your intelligence operation?

Mr. VON RAAB. During the previous administration when Customs' enforcement role was downplayed, the intelligence operation gradually just fell apart. This is basically the collection, collation, and dissemination of intelligence.

To give you an example, a seizure takes place at a particular border crossing and the seizure has characteristics: It is a certain kind of material, it has obviously come from somewhere, and it is carried in by someone using certain MO. We should collect that, centrally look at it, see what other application it has somewhere else.

Mr. Levine asked where the threat ports are. Well, we actually have information on that.

Mr. OXLEY. Is that computerized, by the way?

Mr. VON RAAB. No, it is not at this point. It is all worked up by intelligence analysts.

Mr. OXLEY. Is that something that I could see at some point?

Mr. VON RAAB. We are planning to use a lot more modern technology, including EDP in our intelligence effort. But basically we have been faced with the problem of re-creating an intelligence operation; not only are we creating one centrally but we are creating little intelligence units within each of our regional operations.

So there we are just trying to do a better job of collecting important intelligence, collating it, and then distributing out to those people that need it, because too much of our work—too many of our seizures are what we call "cold hits."

Mr. OXLEY. A cold hit is a lucky hit?

Mr. VON RAAB. Cold hit means no prior information. I wouldn't say it was lucky. In some cases it might be lucky but it basically is in the inspector's judgment with no prior information.

Another fault that the Customs has had is that it hasn't been effective enough in going to other agencies to get information. DEA has a lot of information. People at Customs used to complain a lot about not getting information from DEA. But to some degree, and

to a large degree, it was Customs fault because they didn't ask for it.

So the intelligence units are working now more closely with DEA to get the kind of information that the DEA has, take it and give it out to the people that we need to have, have it.

Mr. OXLEY. Are you speaking about the El Paso operation?

Mr. VON RAAB. El Paso is a very good operation for certain types of intelligence and we are working much more closely, as a matter of fact, we put four additional people into El Paso. So there is a good example of a good basic operation that Customs previously just hadn't used enough. So we are using it a lot more.

We are taking the El Paso information and we are working it a little bit ourselves for our own purposes in sending it out. So we have the major effort, and as I indicated, we have recently identified 66 new positions to go into intelligence. So it is really a major effort because Customs, in my opinion, has perfected or has finally honed as much as possible given the amount of time that we have on our inspectional and patrol and other operations.

The next step now has got to give them better intelligence. So that is what we are doing.

Now, as far as the purchase of information is concerned, yes, we purchase a lot of information and Mr. Corcoran can give you some of the details on the kinds of money we pay and what we get for it.

Mr. CORCORAN. Yes, I think I would like to put into perspective that we are a multifaceted agency when we talk about paying for information and even intelligence. Along with drugs our inspectors and our agents and our patrol are heavily involved in such things as neutrality, gun smuggling.

One of our major priorities for inspectors and agents particularly is the export technology—stopping the critical technology from going to the Soviet bloc as well as arms and munitions going out of the country, and also smuggling into the country.

We also have major fraud criminal operations, financial investigations that impact any violation in organized crime and white collar crime, as well, of course, drugs, which we are talking about today.

In all those areas we need an intelligence operation and we do make payments. We make payments based on value, if we seize vessels or aircraft we can pay up to \$50,000 or 25 percent of the value up to \$50,000. We are also seeking as a change in the statute in the financial investigations to also get a statutory priority to pay a percentage of money seized. As you know, we are aiming at billions of dollars in our financial investigations to tax the assets of major narcotics traffickers.

In the current statutes we do not have the capability of paying for information within that?

Mr. OXLEY. Has any legislation been introduced?

Mr. CORCORAN. I think on the Senate side, yes.

Mr. OXLEY. Thank you, Mr. Chairman.

Mr. HALL. The gentleman's time has expired.

We will now hear from Congressman Larry Coughlin from Pennsylvania.

Mr. COUGHLIN. Thank you, Mr. Chairman.

Mr. HALL. You are recognized for 5 minutes.

Mr. COUGHLIN. Commissioner, thank you for being here. As you know, this committee has played a large part in changing the posse comitatus law to permit the use of the military to assist civilian drug law enforcement efforts.

In what way has this been most helpful to you?

Mr. VON RAAB. I would say in terms of legislative initiatives that have been undertaken since I have been in the Customs Service, that would be the one which I would point out as the greatest accomplishment and the greatest assistance to the Customs Service.

This has provided Customs not only with significant amounts of physical military resources—I pointed to some of them in my prepared testimony—but we are now helpfully supported by the Navy in using its E2-C's, which are mini AWACS; in some cases, E2-B's, which are a slightly more basic version of that; occasionally we are supported with the Air Force AWACS itself.

We have been lent Army Cobra helicopters. Right now we are using an Army Blackhawk helicopter to see how well it serves the Customs Service and if it does, we have been promised by the military to lend us more of those.

The prospects for the future are tremendous. As a matter of fact, we are in the midst of negotiations, which are moving along very nicely, to supply the Customs Service over the next few years with six P3A's which will be outfitted with F-16 or another type of radar.

Mr. COUGHLIN. Will these be operated by military personnel?

Mr. VON RAAB. No, these will be operated by customs personnel. But that would be, in effect, made available to us by the military at virtually no cost to the Customs Service except for the operating cost, of course.

Mr. COUGHLIN. The provision of the equipment has been the major problem?

Mr. VON RAAB. I would like to have Mr. Hurley comment on some of the intelligence aspects of this, just generally to say that it is just the attitude of the military which has turned around completely. I mean the military now sees itself as very, very supportive and willing to do whatever it can within obviously the existing limits of posse comitatus to support the Coast Guard, DEA, and Customs in its fight against drugs.

So that psychological emotional changes has had all sorts of results in, you know, just from the NORAD, you know, screened observer who now realizes that he can pass certain information on to Customs, and does. So that the intangibles of that change are a very, very big part of that.

John?

Mr. HURLEY. Thank you, Commissioner.

Mr. Coughlin, the major functional area with the military has been of particular assistance has been, as the Commissioner indicated, in our interdiction effort. The military aircraft and military radars whether they are surface-mounted or aircraft-mounted have been really of inestimable value, both in specific cases in developing information as to smuggling patterns, and again, as the Commissioner indicated, are really propelling us more into an era which Mr. Oxley is referring to of technology and use of intelligence.

Second, the Navy now, through use of surface assets, again on the high seas, not involved in internal or domestic law enforcement, has been very, very effective in a number of ways.

Some of the areas in which we continue to investigate and work with the DOD and the various service departments include reconnaissance, reporting on suspect movements, carrying Coast Guard and Customs personnel to scenes of enforcement activity on the high seas; and even auxiliary services such as use of Navy tugs to tow in seizures so that Coast Guard cutters can be freed up for a more active operation.

Mr. COUGHLIN. Has this helped to relieve the strain on your personnel resources?

Mr. VON RAAB. It has enabled our personnel resources to spend more of their time on the line fighting the smuggling problem and taking it away from activities that would detract from that.

Mr. COUGHLIN. Let me pursue briefly one other area of questioning.

What is your experience with regard to convictions of those persons that you apprehend?

Mr. CORCORAN. I think if we point to Florida in particular, we can provide the actual convictions for the record, but I think the arrest and convictions since operation in Florida over a year have had tremendous increases. There has been no question that both, not only on the Federal end, but also State and local, there has been a substantial increase as opposed to before where we had two things: We have a lot of declamations by the Justice Department because of lack of manpower, lack of attorneys.

We now, the DEA, and ourselves and the task force down there respond to every seizure by the Coast Guard, by every seizure on air, land, and sea, our inspectors, our patrol, our marine units, and every prosecution is followed up.

In most instances that I have heard of we have had good prosecutions. So I would say the followthrough has been excellent, because the point I make there, that in addition to the Coast Guard, Navy and DEA, they did beef up the prosecution staffs of the U.S. attorney's office down there, which was very effective.

Mr. COUGHLIN. Thank you, Mr. Chairman.

Mr. HALL. Thank you.

We are taking the testimony after the recess in the order of the arrival of the members, not as they came in originally. So at this time we will recognize Mr. Stan Parris, the gentleman from Virginia, for 5 minutes. Then next will be Mr. Larry Smith from Florida.

Mr. PARRIS. Thank you, Mr. Chairman. I will be extremely brief.

I would like to welcome the Commissioner who is here in that capacity this morning because in his heart of hearts he is really a Madison County, Va., farmer.

Mr. VON RAAB. That's right.

Mr. PARRIS. It is good to have you here.

Mr. HALL. I expect he wishes he was back doing that sometime, too.

Mr. PARRIS. Just one quick question that I have, Mr. Von Raab.

If memory serves the incident that you mention in your testimony, Brownsville, recently, of the Mexican heroin in the gas tank.

Did that come about the apprehension of those people as the result of use of dogs? I think I read that somewhere.

Mr. VON RAAB. Yes. I can't comment on that one but there have been a number of recent seizures on the Mexican border that have been using dogs.

Interestingly enough, there was in Ticotti—is that it?—in which the customs officer was attempted to be distracted by the driver and his companion who were carrying an illegal parakeet which they figured would somehow distract him and he would take the parakeet, and run off with the parakeet, and be happy. But he was there with the dog, and when he was dealing with the parakeet the dog was alerting, as we say, on some dope that was above the cab.

So, dogs are very, very helpful on the southwest border.

Mr. PARRIS. You make the point in part of your statement that on land border crossings the dog is effective and so forth. I am, for one, that thinks that dogs are one of the most effective methods. Is that not correct?

Mr. VON RAAB. They are a very effective method under the right conditions. If it is terribly cold or terribly hot, or there are terrible gas fumes, you know, there are conditions under which the dogs' effectiveness are adversely affected. But, yes, the Customs Service feels that it has gotten a lot of good use out of its dogs.

Mr. PARRIS. That brings me to my one question and that is, you make a statement in your testimony on page 9 that we do not, of course, subject passengers to any sort of inspection in which the dogs are used.

My question, very frankly, is the dogs are properly trained and controlled, and of no threat to the innocent; why not?

Mr. VON RAAB. It sounds like you are me arguing with my staff. My staff feels that the Customs Service as it moves into its stronger enforcement posture should move in as slowly and as judiciously as possible.

The Customs Service is taking a much more aggressive posture with respect to drug smuggling.

Mr. PARRIS. I am glad to hear that.

Mr. VON RAAB. We may feel at this point that the introduction of dogs at airports is probably a step that has not yet reached its time. We are not planning on doing that right now.

Mr. PARRIS. As one member, and all I can do is obviously speak for myself, I don't care if you use that illegal parakeet. If I were you—and I submit this principle to you—I would jump in with trained monkeys, with dogs, with snakes, with snake charmers, with anything I could find, to stop this problem at our borders. I submit now is no time to be timid.

Mr. VON RAAB. We do use dogs on the suitcases as they come off the aircraft.

Mr. PARRIS. I understand. With the precaution, and so long as the dogs are not randomly attacking innocent citizens, if you are standing there with a dog and you have nothing on your body that is of a criminal substance, you have nothing to fear.

Mr. VON RAAB. One of the problems with dogs and drugs is the way they are trained. You should go out to Front Royal sometime and see our training center, although it is, unfortunately, not near the District. I don't know if it is in Congressman Robinson's or not.

Mr. PARRIS. Yes. Ken Robinson.

Mr. VON RAAB. He is my Congressman. So we make sure it stays in that district. [Laughter.]

They do alert on drugs in a very aggressive manner, and that is, if they find drugs in a suitcase they bite it and they attack it.

Mr. PARRIS. Mr. von Raab, if I have got heroin or cocaine, or whatever, strapped to my chest, then I deserve to get bit, is my point.

Mr. VON RAAB. OK, you have convinced me. We will move dogs into Dulles Airport next week.

Mr. PARRIS. We will move the fireplugs the week before.

Thank you, Mr. Chairman.

Mr. HALL. The gentleman from Florida, Mr. Larry Smith, is recognized for 5 minutes.

Mr. SMITH. Thank you, Mr. Chairman.

You don't need dogs, we could use mules.

Mr. VON RAAB. There are plenty of mules.

Mr. SMITH. They already use them on the other side.

There are a few things that I have heard which I would like to ask you about, because I hadn't heard them before and they are rather distressing.

I have been advised by some people on overview that they have found in recent weeks that DEA now has the ability to monitor completely through the Miami information center, of which you are a part, all the outflights from everywhere in South America, Central America, the Bahamas, et cetera. But that information is not reaching Customs or anyone else who would be on the receiving end, and DEA itself is not cooperating recently in releasing a lot of this information.

Mr. VON RAAB. I think, as far as Florida is concerned, you would be almost unable to distinguish between a DEA and a customs officer. The cooperation in Florida is almost totally integrated so it would really surprise me that there would be any information to which Customs had access, or which DEA had access to, that was not available to both of them.

I have not heard anything about that. We get an enormous amount of information from DEA in Florida and if you check into the operations at EPIC, you will find that Customs has access to just about every piece of information that DEA has, subject, of course, to its being provided to us by DEA. I mean, we just don't go into their files.

That rumor is something that I have never heard and I will certainly check into it. But I would really be surprised if that were true.

Mr. SMITH. Well, if you have someone, yourself, or someone else give my office a call, I will relate further to you.

Mr. VON RAAB. We will get back to you on that but I would be very surprised if that is true.

Mr. SMITH. The next thing is, you maintain your own people at the EPIC center?

Mr. VON RAAB. We have about 14 or 15 people there. Everyone that works at EPIC works for EPIC. It is an independent unit. Larry Ortin is the head and the deputy is a fellow named Horace Kevin who is a customs agent.

Mr. SMITH. But do you have all the access that you think you need?

Mr. VON RAAB. Yes.

Mr. SMITH. The second question concerns a matter we went through a number of months ago with a number of people, including Carlton Turner. Last year the President vetoed the bill that contained that provision relating to the drug czar, rightfully or wrongfully.

However, under the present law since 1976, availability is there for the designation of one person who could literally act under the statutes as a drug—well, without using the term drug czar—as the overall head of an agency which could in effect be controller of the drug enforcement policy in the United States.

Have you ever talked to the rest of the Cabinet officers or anyone with reference to possibly implementing that and having all of the problems relating to drugs centralized in one agency?

Mr. VON RAAB. No, because I wouldn't necessarily favor that. The problems you have are that agencies, except for DEA, have many responsibilities, and if we were to attempt to take Customs drug activities out of Customs you would be taking activities out of an organization that has a broad range of responsibilities, all of which relate to one another.

So I just don't think that it would be such a good idea.

Mr. SMITH. You know the statute provides for the ability to pull together, like was done in the south Florida task force, which, in fact, pulled together units from a lot of agencies which have the responsibility for dealing directly with drug enforcement, drug interdiction and, you know, the whole total drug fight.

Why would we want to avoid having one major control area especially in light of the success of the south Florida task force, although in recent days we have seen an increase coming in because of the stepped up activity?

But why would we want to look again to have every agency—and it is, of course, the FBI with the DEA, Customs Service, the Immigration and Naturalization Service, the Coast Guard, the Navy, the Air Force; all of the other agencies are in this at one point in time, and there is really no central control. There really is not.

In south Florida there has been a drug task force, and the basic body of which is now going to be emulated in terms of noninterdiction but the other modes around the United States. Why would we not want to do this all under one umbrella?

Mr. VON RAAB. I don't know exactly what you mean by control or what have you, but the new National Narcotics Border Interdiction System is a scheme to more effectively coordinate all of these resources.

I think that that is a good idea and that is really what happened in Florida. I don't think that if you would really sit down and talk to Mullen and me, et cetera, you would find that either of us felt that someone else was controlling our resources.

What we really had was a feeling that we had to coordinate and work together and that is really the strength of Florida, was not a central control, but a realization and an acceptance of the fact that we had to work more closely in a more coordinated fashion.

Mr. SMITH. I know my time is up but just let me say this, Mr. von Raab. I can tell you that every agency, but yours, has come into my office and has been begging off, at the very least, getting involved any further unless additional moneys were made available to them.

The Navy, the Coast Guard, et cetera, have drained off substantial assets from their other duties to be involved in these kinds of situations. They are not particularly happy about it. That is what bothers me.

Mr. VON RAAB. We have drained off a lot of resources, too, and we are happy to be working on it. We are going to drain off more because there are aspects of the Customs Service that are inefficiently run and those resources can be moved into enforcement.

Mr. SMITH. I would like to think in terms of that because there are a lot of us who would like to see openly the whole problem relating to drug interdiction, drug enforcement, et cetera, that is, outside of the domestic controlled drugs, be involved in the one agency. I think that some of us are going to be moving in that direction.

Mr. VON RAAB. I understand. OK.

Mr. SMITH. Not to denigrate your efforts, by the way, don't get me wrong. That has nothing to do with it.

Thank you.

Thank you very much, Mr. Chairman.

Mr. HALL. Thank you, Mr. Smith.

Mr. von Raab, there are one or two questions I would like to ask.

I read the testimony of Admiral Gracey in which he made the comment that in November 1981, an agreement was formalized by exchange of notes between the United Kingdom and the United States, under the terms of which the Coast Guard may board in the Gulf of Mexico, Caribbean Sea, and up to 150 miles off the Atlantic coast of the United States, private vessels flying the British flag, if we believe the vessel has on board a cargo of drugs for importation into the United States in violation of U.S. laws.

To date, there have been 10 seizures under this agreement. An ongoing discussion by several Caribbean countries will, I hope, produce similar agreements to enhance our operational effectiveness.

With reference to your organization, and I am speaking now about the water's edge, how far does your organization have jurisdiction to go out into the ocean, or the Caribbean, or whatever, in miles?

Mr. VON RAAB. We have the legal authority to board a vessel up to 12 miles out. Any vessel within the 12-mile limit can be regarded as in customs waters and it can be regarded as attempting to enter the United States and, therefore, it is in our jurisdiction to board it.

Mr. HALL. Beyond the 12-mile limit, whose jurisdiction attaches?

Mr. VON RAAB. That is the Coast Guard's jurisdiction. Of course, if we are chasing a boat or something we would follow it or ask the Coast Guard to pick it up. But we regard 12 miles out as Coast Guard waters.

Mr. HALL. Twelve miles out?

Mr. VON RAAB. Twelve miles plus.

Mr. HALL. Plus what?

Mr. VON RAAB. Coast Guard.

Mr. HALL. Is Coast Guard?

Mr. VON RAAB. I don't really know how that works, to be perfectly honest.

Mr. CORCORAN. I think as far as the Coast Guard is concerned, any U.S. vessel, they would access to go on for rescue and compliance purposes. I think within the fisheries area, of which I think is around 150 to 200 miles, they also board vessels, even foreign vessels, to inspect papers.

Under this agreement that you have mentioned, not only would the United Kingdom but they have similar agreements with Panama and some of the other countries, they can request through the State Department the ability to board and seize the vessel. If they get that through State as they do now with the United Kingdom in that area, they can board it.

They have the authority to board any vessel.

Mr. HALL. If Customs is in hot pursuit of a vessel and you get up to the 12-mile area, I am sure you don't discontinue that hot pursuit because you have reached the 12-mile limit.

Mr. CORCORAN. The courts—and that is where we get the hot pursuit terminology—the courts have ruled not only in drug smuggling, but in gun smuggling, any type of customs violation, if a vessel attempts to run away from us we can chase it in hot pursuit. That comes out of the old rumrunning days. We can chase them out as far as they go as long as we keep them in sight, we can still apprehend them.

Mr. HALL. Do you usually at that point obtain the services of the Coast Guard to continue that pursuit?

Mr. CORCORAN. Yes, we would notify the Coast Guard, our aircraft, and our own other vessels including in places like Florida the Marine Patrol, that we are linked up to each other by telephone and radio, and we would notify everyone as we do in aircraft.

When aircraft takes off on us we may not have the fuel to follow it and we start notifying other entities in advance of it to try and intercept them.

Mr. HALL. In other words, we don't have any hiatus between one area and another area in which these ships may pass without interdiction by some agents of the U.S. Government?

Mr. CORCORAN. No. I think as the Commissioner mentioned before, we have an understanding with the Coast Guard as to how we operate; we pretty well work close to the shore and they work at high seas; but they would chase something right into the shore and we would, too. We have never had any problem in that area.

Mr. HALL. All right. A very close working relationship.

I had some testimony here previously, Mr. Commissioner, that I would like to ask you about in which it was estimated that 1,396,000 pounds of narcotics will enter the United States in 1983 by air; 90 percent by private aircraft.

That was broken down in pounds and dollars. They estimate that 40,000 pounds of cocaine, which is valued at \$12 billion, will come in in 1983; 1,345,000 pounds of marihuana will come in, valued at \$1 billion. And here is the one that stymies the imagination:

heroin, estimated 88 pounds, valued at over \$52 million, and other dangerous drugs, about 10,000 pounds, valued at \$5 million.

How does your department or some of these other departments make an estimate on what may come in in a particular year?

Mr. VON RAAB. We don't make those estimates. We work with the Drug Enforcement Administration which is largely responsible for those estimates, through a group called, what is it, NIC?

Mr. HURLEY. There is a National Narcotics Intelligence Consumer Committee.

Mr. HALL. I assume that you are familiar with these figures that I have just read?

Mr. HURLEY. Yes, Mr. Chairman.

Mr. HALL. Do you agree that those estimated figures are ballpark figures?

Mr. HURLEY. As both you just indicated, Mr. Chairman, and as the Commissioner indicated, these are estimates based upon a variety of inputs, some of higher and some of lesser validity; specifically, if you would like, I can highlight very quickly some of the areas of how we derive this information.

Mr. HALL. My time has expired and we have Mr. Hughes here from New Jersey.

I would like to, after this is over, if you could give me the information in a little bit more detail than we are talking about.

Mr. HURLEY. I would be pleased to, Mr. Chairman.

Mr. HALL. I recognize Mr. Hughes from New Jersey for 5 minutes.

Mr. HUGHES. Thank you very much, Mr. Chairman. I appreciate that.

I want to welcome you, Mr. Commissioner, and apologize for running out during your testimony but we are in markup on legislation in the Judiciary Committee and I was required to go there.

I understand from counsel that you have been questioned pretty extensively about the proposed cuts of some 2,000 agents and I won't belabor the point.

But I was struck by a statement that you made in your opening statement which gave me a really great deal of concern. You sort of knocked the previous administration which certainly wasn't perfect, but I never heard of cuts by previous administrations of the dimension that have been proposed by OMB for the various agencies of law enforcement under this administration thus far.

I don't know how in the world we are going to deal with the ever-increasing drug trafficking and smuggling problem, and other smuggling, if we are going to cut the manpower. Law enforcement is a labor-intensive function and we need more, not less personnel, at our borders, at our ports, airports, and what have you. So I am not going to belabor the point.

I also understand that there has been some discussion of use of EPIC, the El Paso Intelligence Center, and that I believe, to kind of summarize your testimony, that you avail yourself of EPIC, you have 12 or 13 customs personnel stationed there at the present time.

I wonder if you can tell us if that is an increase in personnel over the last fiscal year?

Mr. VON RAAB. I am not sure whether that includes—yes, that is an addition of four. I didn't know whether that was in the 14 or not. But it is an addition of four people.

Mr. HUGHES. Now, in addition to taking information, do you also supply information to EPIC?

Mr. VON RAAB. Yes, sir; we supply all of the customs information to EPIC.

Mr. HUGHES. Now, is that a routine?

Mr. VON RAAB. On a routine and on a special basis, we provide them with a full range of the information that is available to Customs officers is also available to EPIC.

Mr. HUGHES. Is there any information that you do not feed to EPIC, any strategic information?

Mr. VON RAAB. I think the only time we probably wouldn't feed information would be if we had some confidential informants or some cases that we felt we could not release it we would make some generic information available. Then if a request came for that specific information we would treat that specially and make a decision at that time as to whether we could release it.

Mr. HUGHES. Now, when you develop information, let's say at the border, which indicates that there are some narcotics violations, at what point do you bring the Drug Enforcement Administration in?

Mr. VON RAAB. We bring it in immediately. If there is narcotics, I mean if there is an actual physical presence of narcotics, DEA is notified immediately. Now, I don't know if that is within the minute, or within the hour, but as soon as it is administratively possible.

Mr. HUGHES. Do they pick up the investigation at that point?

Mr. VON RAAB. Yes, they do.

Mr. HUGHES. They do the questioning, for instance, of any witnesses at that posture?

Mr. VON RAAB. Yes.

Mr. HUGHES. I see.

We have seen some increases in smuggling contraband, particularly in the southern part of the country; we are loaded with all kinds of conveyances, airplanes, vessels, and what have you—what can you tell me about the time it takes to administratively process those vehicles and other aspects?

Mr. VON RAAB. You mean forfeiture?

Mr. HUGHES. Forfeiture.

Mr. VON RAAB. I can't give you the exact numbers except that it is an embarrassingly long—it is a terrible amount of time.

Mr. HUGHES. Is it 15 months, 16 months? You know, we have heard all kinds of speculation. I would like to try to pin down just how long it is taking us to process.

Mr. VON RAAB. It takes about a year and a half, which is usually 9 to 10 months after it goes to the U.S. attorney. That is the forfeit.

Mr. HUGHES. Is the delay occasioned because of the procedure or is the delay occasioned because of the lack of resources at that level?

Mr. VON RAAB. George, why don't you take that?

Mr. CORCORAN. The first delay is that usually the conveyances, aircraft or vessels are part of the evidence of the case. So we do not

process the forfeiture until the criminal case is finished at the request of the U.S. attorney unless he waives that.

In most instances it then goes to the U.S. attorney because it is over \$10,000 for administrative forfeiture. One of the bills that was submitted last year would have raised that to \$100,000, which would have helped, because it would have then been able to forfeit that type of vehicle or aircraft within probably 90 days after the U.S. attorney.

Mr. HUGHES. That was a bill that I reported out of my committee, that the House passed by an overwhelming majority, and that the President vetoed.

Mr. CORCORAN. That would have been very helpful because we find with aircraft particularly that we are very familiar with, that it takes approximately 9 months for the courts with the U.S. attorney to process a forfeiture.

Mr. HUGHES. How about the personnel, the individuals at the U.S. attorney's office level; are there problems in processing forfeitures in other cases?

Mr. CORCORAN. There is in places like Miami because of the enormous number of vessels and seizures of aircraft; usually you have one or two U.S. attorneys, in most instances, only one; and he is usually handling a lot of other civil matters besides forfeitures.

Mr. HUGHES. What percentage of the cases is the U.S. attorney declining to prosecute because of lack of resources?

Mr. VON RAAB. To forfeit or to prosecute?

Mr. HUGHES. Prosecute.

Mr. CORCORAN. We wouldn't have those figures. Normally the narcotic cases are presented by the D.A. and they would be most familiar with declinations.

Mr. HUGHES. Do you find that any of the cases that you initially make are being turned over to the local authorities?

Mr. CORCORAN. Oh, yes; particularly marihuana.

Mr. HUGHES. Do you have any idea of the percentage of cases?

Mr. CORCORAN. Now, they are very low. It was a very high percentage before the Florida task force.

Mr. HUGHES. At one time the declination policy was if the seizure wasn't 2 tons of marihuana, it was a local problem.

Mr. CORCORAN. That was essentially it.

Mr. HUGHES. In my area, if it is more than 25 grams it is a major problem.

Mr. CORCORAN. In the last year the U.S. attorney's office had been accepting every seizure for prosecution.

Mr. HUGHES. OK, thank you.

Mr. RANGEL. I want to thank you.

I assume that it has been fairly covered that there is no problems that Customs is having because of any shortages of personnel?

Mr. VON RAAB. No, there are not.

Mr. RANGEL. I do hope that we will be able to regroup. What I had said to Mr. Hughes earlier before you arrived is that I think it is going to be important that the administration be able to share with us by having the heads of these agencies and departments to come together.

It is not going to be our role to have you to answer questions as relates to other agencies and departments.

How do you, in view of your opening statement, and the tremendous efforts that are being made by this administration and every agency and department, and the cooperation, and the coordination, and the strengthening of the effort, how do you explain to your constituencies how the situation is worsening inasmuch as more is coming into the United States, not less? Purity is higher, and not lower. Arrests have no impact on the situation, and that more and more people are entering the demand market.

In view of all of the things that you said in your statement, and the cooperation of this executive team, how do you explain how the drug situation is in fact worsening?

Mr. VON RAAB. First of all, I am not certain that more is coming into the United States. There is speculation and I realize that some of the experience on the street has been in some cases greater purity, and cheaper prices, et cetera, but there are also evidences that other things are happening as well.

It is a very difficult problem and it is one that the Customs Service has really only been fighting aggressively now for 20 months.

Mr. RANGEL. You said that there is some signal somewhere that less cocaine is coming into the United States?

Mr. VON RAAB. No, I didn't say that. I said there are always signals that things in some places are getting worse and some places are getting better.

Mr. RANGEL. We just don't hear anything about it getting better. If you could share with us so that we could bring some balance to it, there are people telling us that they got a market crop of heroin in from China to Hong Kong that we should be expecting. They are part of our Government that are talking this way.

They are telling me that what is going to happen from Colombia in terms of cocaine, that they won't be able to handle it, that the situation has reached a crisis.

I don't know. So, I am soliciting from you as strong a statement as you could possibly give, giving the resources that you find available, as to what is the good news? Knowing that people are going to exaggerate bad news.

Mr. VON RAAB. The good news is, at least from the Customs perspective, is that it is much more difficult now to bring cocaine in by air. The curtain that we have thrown up around the Southeastern United States is pretty effective. It has cut down that route very effectively.

That has caused a change in some of the practices: more drugs are being dropped into the sea and then run in by small boat. Airports: we have tightened up considerably, and airports are regarded as much hotter by the smugglers.

There is a phenomenon that law enforcement officers look for, and that is you want to push the criminals to the ragged edge. In other words, make life as difficult as you can for them so that they start making mistakes.

I can tell you from Customs' perspective that the actions, the devices, the schemes, that are being employed by the smugglers today are much more risky and much more likely to result in their being detected or making mistakes. They are being pushed more toward the ragged edge. That is a good sign.

Disruption is taking place. That doesn't mean they are not still bringing it in. They are just trying a lot harder and taking bigger risks.

Second, something that we haven't discussed here and we would be very happy to brief any or all of you on it, is our financial investigation effort in which the Customs Service, using the provisions of the Bank Secrecy Act, is having a lot of luck with respect to attacking, identifying, and taking the assets of many of the major drug traffickers. That is the particular contribution that the Customs Service is making to the organized crime drug task force.

Mr. RANGEL. Every time we hear from Customs, it is good news in terms of new strategies that are being developed. I would feel a lot more comfortable if there were statements made that it takes some time for you to see the actual results of what we are trying to do, to do our job better.

Obviously, we are going to have to invite you to visit some of the local and State penal institutions, or to talk, perhaps, with some of our witnesses that will be testifying, district attorneys, that will tell you that if their cases are increasing, if crimes are being committed because more and more people are involved in drug trafficking and drug-related—Governors are telling us, and attorneys general are telling us that they don't have the money to build the prisons to take care of this new crime wave that is directly related to increases in drug trafficking. Then I can't just give them your testimony and tell them that in Washington we are making some substantial gains.

Somehow, we are going to find a vehicle to have to admit that with all we are doing, there has not been a substantial impact on the availability of drugs in the United States.

Mr. VON RAAB. The Customs Service has got to do a better job, there is no question, I would admit that.

Mr. RANGEL. You are not beating up on Congress.

Mr. VON RAAB. But we are responsible for a lot of this.

Mr. RANGEL. You see, they are not asking us about Customs. As a matter of fact, your public relations team is doing a fantastic job.

Mr. VON RAAB. That is all real, it is substantive. It is not just a public relations.

Mr. RANGEL. I truly believe that when public relations people have something good to work with, they do an even better job. So that what is happening in Florida is felt throughout the Nation. We feel good, even though we don't have those resources in New York, to know that the President has supported a task force which Customs is providing the lead on and something is being done.

We don't have a problem with that.

Mr. VON RAAB. I would point out, just for your information, we have increased the numbers of agents in New York by 50 percent.

Mr. RANGEL. From what number?

Mr. VON RAAB. From 60 to 90, that is substantial.

Mr. RANGEL. It is for you, but considering our port of entries, and our airports, and other intrusions in our community of drugs, it is not the same Federal presence that we knew in the sixties. It is not there. Our policemen do not expect any support or help from Federal agents from Drug Enforcement Administration.

Again, I am not talking about Customs or what you do out there around the Statue of Liberty. I am talking about where it relates to our policemen, knowing that they work it in partnership with the Federal Government, that has been gone for 20 years.

Mr. VON RAAB. Actually, in New York, interestingly enough, there are 25 to 50 New York Police Department officers who are working with the Customs Service right now, searching ships and searching cargo. So I hope maybe that is a sign of the better cooperation between the Customs Service.

Mr. RANGEL. I don't know, because, Commissioner, while they were on your ships searching cargoes, no arrests are being made on the street by the New York City policemen. Searching cargo, to us, have been perceived as being a Federal responsibility. But more and more, this administration is making it abundantly clear that enforcement of many of the Federal narcotic laws are the responsibilities of local and State government.

Mr. HALL. Would the chairman yield to me?

Mr. RANGEL. I yield to Mr. Hall.

Mr. HALL. Mr. von Raab, , and I am digressing a bit from what your conversation has been here—you talk about these people who, after a major deal, have large amounts of money and they are buying big items with cash.

You state that whenever a businessman who closes his eyes when a customer pays for a product or a service with thousand dollar bills, he becomes really as corrupt as the drug pusher on the street.

Do you have any suggestion as to any need for proposed laws in the direction of trying to stop that man or woman who deals, not as the person who has made the major deal, but the man who is selling articles to these people?

Mr. VON RAAB. No, we would not try to interrupt legitimate business transactions.

The point that I tried to make in that testimony is that if a businessman does regularly receive, you know, hundreds of thousands of dollars with which to buy aircraft or pleasure boats, or large pieces of real estate from people who he has never seen, he has never heard of before, we feel that he has a moral responsibility to come to the Customs Service or to some other police—

Mr. HALL. Do you get any cooperation at all?

Mr. VON RAAB. Yes, we are. As a matter of fact, we get a lot of that information but to statements like that I try to encourage more of that.

Mr. HALL. Is that information paid for, or is it voluntarily?

Mr. VON RAAB. Yes, it is paid for. Information in that area is paid for, if it is required.

Mr. HALL. If a person goes to an automobile dealer and buys five cars and pays \$250,000 cash, or whatever it might be—that would be a little bit too much—but suppose he paid an enormous amount of money in cash, and that dealer contacted someone with Customs or some other agency; would that dealer be paid for giving that information to you?

Mr. VON RAAB. The agent might feel that dealer, for example, would be a good source of information and might request Customs through his superiors to pay the man for information. But, obvious-

ly, we would contract with an individual—not formally. But, you know, we pay for something but just because someone walks in off the street and gives us a piece of information, we don't hand him a check. We would sit down with him and say, Well, what can you offer us? If it reaches a certain level of importance, then we pay him for it.

It is like everything else, it is negotiable.

Mr. RANGEL. Mr. Parris, do you have any questions?

Mr. PARRIS. Just one very brief one, Mr. Chairman, and I thank you.

Ten years ago, I served on the Immigration and Naturalization Subcommittee in reference to the problem with the Mexican border.

Short of stationing three Army divisions there or building the equivalent of the Great Wall of China, or the Berlin Wall, or whatever, would you agree, Mr. von Raab, that as a practical matter, it is virtually an impossibility to close the southwest border of the United States to any illegal substance?

Mr. VON RAAB. Actually to close it off?

Mr. PARRIS. Yes.

Mr. VON RAAB. Physically you can't do it. It is too long.

Mr. PARRIS. It is impossible to do it, isn't it?

Mr. VON RAAB. Yes.

Mr. PARRIS. So we have to find some other legitimate way.

Mr. VON RAAB. That is why intelligence is so valuable to Customs, because that is why we rely very heavily on that.

Mr. PARRIS. Even with the advances that have been made: on ultraviolet, and all of that sort of thing, it is not purely a function of 200 more agents, or 2,000, or whatever?

Mr. VON RAAB. No, it is not.

Mr. PARRIS. Thank you. Thank you, Mr. Chairman.

The RANGEL. In this area, has satellite information been made available to Customs as to locating where the crops are?

Mr. VON RAAB. We get information from DEA, but where the crops are is only important to us in a very indirect sense in that it may give us some idea of where it would be smuggled from. But in terms of eradication, that is the Drug Enforcement Administration's responsibility, not Customs.

The RANGEL. I know but I would just like to believe that you fellows do from time to time share with each other.

Mr. VON RAAB. Oh, no; I am saying we do get that information. But I am saying we are not on a formal list for that sort of thing.

The RANGEL. My question is in connection with what Mr. Parris is saying, that the intelligence does include the satellite information and photograph information.

Mr. VON RAAB. Yes.

The RANGEL. So we could conclude just based on what you have found out from your colleagues in this area that there should be no part of the world that would escape information as to where the crops are. What we can do about it may be another problem, but that information now should be available to us.

Mr. VON RAAB. I believe that the executive branch has a pretty good idea of where all the crops are, yes.

The RANGEL. Well, Mr. Corcoran, you are an old friend of the committee and the Congress and we would hope that you would join in and prepare any suggestions that you may have to submit to the Congress, recognizing that while we don't legislate, we do sit on the legislating committees.

The staff will be in touch with your office to see the feasibility of seeing how the administration could better present to us that team picture, where we are not talking about competition of effort, but to show where this whole thing is going. Perhaps we should ask Dr. Carlton Turner to pull this together for us.

But we want to thank you for your cooperation that you have had before the hearings, your patience with us in view of the votes that have been taken. We look forward to continuously working with you.

Mr. VON RAAB. Thank you very much.

I would like to offer that I or any member of my staff would be happy at any time to meet with your committee, of course, but with various members of the committee if they are interested in talking about narcotics or, for that matter, any customs issues that may involve your particular responsibilities in your committee assignments or with respect to your constituents. So please feel free to contact our Congressional Affairs Office.

I will come up myself, if you want, or if it is more specific we will send up someone in that area. But please regard that as a sincere offer on my part.

The RANGEL. If there are no further questions then the committee will stand adjourned subject to the call of the Chair.

Thank you very much.

[Whereupon, at 12:05 p.m., the select committee was adjourned, to reconvene subject to the call of the Chair.]

[Responses to questions posed to the Customs Service during the hearing follow:]

CHARLES B. RANGEL, N.Y.
CHAIRMAN

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U.S. House of Representatives

SELECT COMMITTEE ON
NARCOTICS ABUSE AND CONTROL
ROOM H2-234, HOUSE OFFICE BUILDING ANNEX 2
WASHINGTON, D.C. 20515

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MINORITY STAFF DIRECTOR

September 9, 1983

Honorable William von Raab
Commissioner
U.S. Customs Service
1301 Constitution Avenue, N.W.
Washington, D.C. 20229

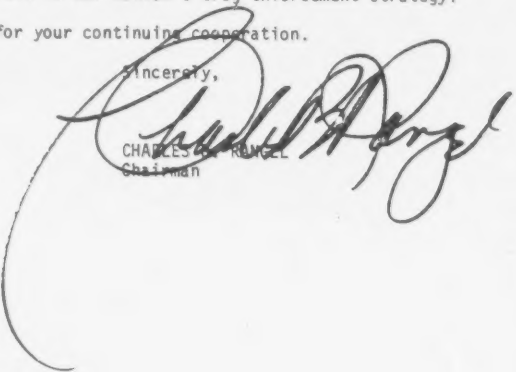
Dear Mr. Commissioner:

We have received Mr. Corcoran's reply of August 19, 1983, to my letter of July 29, 1983, asking for certain additional information relating to the proposed elimination of 2,000 positions in Customs under the 1984 budget. Thank you for your prompt attention to this request.

As a further follow-up to our June 8 hearing, we would appreciate your written responses to the enclosed questions. This will complete our hearing record and will enable us to prepare our recommendations to the House on Customs' role in our nation's drug enforcement strategy.

Again, thank you for your continuing cooperation.

Sincerely,


CHARLES B. RANGEL
Chairman

Enclosure



DEPARTMENT OF THE TREASURY
U.S. CUSTOMS SERVICE
WASHINGTON



5 OCT 1983

REFER TO

MAN-1 E:P:A PM

Dear Mr. Chairman:

In response to your letter of September 9, enclosed
are our responses to questions raised at the June 8
hearing.

Sincerely

Richard W. Miller
Special Assistant to the Commissioner
for Congressional and Public Affairs

Charles B. Rangel, Chairman
Select Committee on Narcotics Abuse
and Control
House of Representatives
Washington, D.C. 20515

Enclosures

QUESTION:

1. In your testimony, you referred to experiments underway at JFK and Los Angeles airports to test the use of airway bills instead of Customs manifests in processing cargo.
 - a. Please describe these tests in more detail.
 - b. When will these tests be completed?
 - c. What results have you obtained so far?

ANSWER:

- a. Instead of the manifest as an inventory of imported aircargo we are using the airway bill (AWB). The AWB is the carrier's accounting document from which the manifest was previously compiled. The additional work involved in preparing the manifest as well as the possibility of transcription errors on the part of the preparing carrier are significantly reduced. The AWB, in addition, is more accurate and has far more information than is required on the Customs manifest; therefore, the AWB is a more effective document for both inventory control and enforcement purposes.
- b. The test of the AWB procedure at LAX and JFK Airports has been completed. Participating carriers and their associations (ATA and IATA) favor the procedure and more carriers are being added each month, as well as additional airports (Miami, Boston and San Francisco). Results will be evaluated during FY 84 with an eye toward nationwide, although voluntary, expansion.
- c. Customs has experienced an almost 90% reduction in time required to post manifests. Inspectors are freed from clerical tasks to concentrate on professional tasks (examination, enforcement, etc.). Carriers have experienced far fewer penalties for inaccurate manifests, and the clerical burden of submitting written explanations and amendments to correct manifests has been virtually eliminated.

QUESTION #2: Some confusion developed at the hearing concerning Customs progress in staffing the 200 positions allotted to it under the Organized Crime Drug Enforcement Task Force program. Please provide the Committee with a current report on the status of your hiring for this program. How many agents have been selected? How many are actually assigned to cases certified by Justice as task force cases? How many of the openings for agent positions created by the assignment of experienced agents to the task forces have been filled with new hires? When do you expect the task forces to be at full strength and when do you expect to complete hiring to replace those agents transferred to the task forces?

ANSWER: Customs has elected to distribute its allocation as 142 special agents and 58 analyst, investigative aides and support positions.

Currently, 124 special agents have been assigned to the Organized Crime Drug Enforcement Task Force (OCDE). Of these, 122 are assigned to investigations selected by the OCDE. The additional two agent positions have been assigned to Customs Headquarters, in staff positions. Of the 124 vacancies created by the assignment of experienced special agents to the OCDE, 80 special agents have been selected to backfill those positions.

It is expected that the assignment of special agents to the OCDE will be completed by October 1, 1983. The hiring to replace the vacancies created by the transfers to the OCDE is anticipated to be completed by December 1, 1983.

QUESTION #3: In your testimony, you said Customs had hired people for 23 of the 27 field locations where Customs officers are being assigned as part of the new drug enforcement task forces. Please provide the Committee with a list of these 27 Organized Crime Drug Enforcement Task Forces field locations and for each location indicate the allotted staffing ceiling and the current personnel strength.

ANSWER: Participation at the sites selected for Organized Crime Drug Enforcement Task Force (OCDE) operations vary among the agencies depending upon personnel allocation, the nature of criminal activity and applicability of statutory authority. With personnel allocations from the Department of Justice, the Drug Enforcement Administration and the Federal Bureau of Investigation elected to staff 65 locations. At the time of my last testimony, on the basis of allocated manpower and potential case review, Customs had elected to staff 23 locations and was reviewing the staffing of 4 additional locations with OCDE funded positions. To more fully address your question, listed below is the present status of our participation:

LOCATION	ALLOCATION	CURRENT STRENGTH
Boston	10	10
Buffalo	3	2
New Haven	2	1
Baltimore	12	6
Philadelphia	7	4
New York	18	17
Newark	5	4
Atlanta	5	2
Charleston	5	3
New Orleans	5	4
Houston	6	6
San Antonio	2	2
Phoenix	3	2
Los Angeles	14	12
Las Vegas	3	2
San Francisco	10	9
Honolulu	1	1
Seattle	2	1
San Diego	12	12
Chicago	13	11
Indianapolis	2	2
Minneapolis	2	1
Detroit	11	9
Cleveland	6	4
St. Louis	2	2
Kansas City	2	2
Denver	2	2

In addition, Customs field managers have elected to participate in OCDE task forces in seven locations with the use of non-OCDE funded positions. Our participation in these OCDE investigations are warranted on the basis of the nature of the criminal activity, our experience with financial investigations and our enforcement authority over probable violations. The seven locations are listed below:

Washington, D.C.	Nashville
Norfolk, VA	Portland, OR
Wilmington, NC	Great Falls, MT
Mobile, AL	

Our participation in these task forces will vary with full-time/part-time personnel determined by the needs of the investigations.

In addition to the above field allocations, a total of 35 positions (33 intelligence analysts, 2 special agents) have been allocated to the Treasury Financial Law Enforcement Center to provide support to field operations.

QUESTION #4: What are the criteria for a case to be certified as a task force case by Justice?

ANSWER: The criteria, for the selection of an investigation to be conducted by the Organized Crime Drug Enforcement Task Forces (OCDE) are that it targets a major drug trafficking organization and successful prosecution is enhanced by the participation of more than one Federal enforcement agency or the needs of the investigation require participation by multiple Assistant United States Attorneys.

The selection of a case by the OCDE task forces is not a matter of certification by the Department of Justice. Participating agencies present potential cases to the Task Force Coordinator Group which is composed of agency representatives and an Assistant United States Attorney. This group, as a body, determines if the investigation should be adopted by the OCDE task force. Cases not selected are returned to the referring agency for alternate investigative action or prosecution.

Question: 5. Is the newly formed Office of Intelligence Support within Customs fully staffed? If not, how many of the 66 positions authorized for this office have been filled and when do you expect the Office to be fully staffed?

Answer:

The Customs Headquarters Intelligence Division in the Office of Enforcement Support received 15 of the 66 additional positions authorized for the expanded intelligence effort. The attached table gives the distribution of the additional 66 positions. It should be noted that agent and Patrol officer positions, in addition to analytical assets, are included in the expanded intelligence units in order to provide a variety of abilities and experience. Selections have been made for 11 of the 15 positions allotted to the Headquarters Intelligence Division, but only one new employee has reported for duty.

As of September 15, 1983, the regions were proceeding aggressively to complete the recruitment of the authorized intelligence positions. The Northeast Region has filled one analyst position, and the employee is expected to report on October 17, 1983. One each, inspector, Patrol Officer, import specialist and agent have been detailed for four months to the unit. One additional analyst and one aid position are still vacant. The New York Region is overstrength with 36 positions filled. The Southeast Region's Chief, Intelligence Branch position is pending final determination of approval of AUO. One GS-12 analyst position vacancy has been announced while another GS-5/11 analyst position is pending selection, and the two inspector and two patrol officer positions are pending selection.

The South Central Region has eight positions, six of which are filled: two special agents, two patrol officers, two GS-11 analyst positions. Two intelligence aids have been selected and are pending BI results.

The Southwest Region has five intelligence analyst positions authorized. Two vacancies will exist with the departure of an incumbent on September 16. Positions for one agent, one Patrol officer, one import specialist, and one inspector have been announced and close on September 16.

The Pacific Region has six authorized analyst positions of which three are filled. The remaining positions have been announced and are expected to be on board by November 1983. Problems arose when some of the candidates from the original selection roster declined the position at the GS-12 level. The analyst positions have been opened to candidates outside of the Federal Government through an arrangement with the local OPM.

The North Central Region has five analyst positions, of which one is filled. One vacancy occurred with the promotion/transfer of one of the former analysts, and three analyst positions have been announced. The authorized agent and Patrol officer positions are filled.

Recruitment and selection action are being carried out as rapidly as possible with the intent of having all intelligence elements fully operational by early November 1983.

ADDITIONAL POSITIONS

FIELD INTELLIGENCE UNITS

Office	Agents	CPO's	Analysts	Others	Total
Boston Region	1	1	2	2	6
New York Region	0	0	0	0	0
New York SAC	0	0	2	0	2
Miami Region	2	2	3	2	9
New Orleans Region	1	1	2	2	6
Mobile SAC	1	1	0	0	2
Houston Region	0	0	3	0	3
Los Angeles Region	2	2	5	0	9
Los Angeles SAC	1	1	0	0	2
San Diego SAC	1	1	0	0	2
San Francisco SAC	1	1	0	0	2
Seattle SAC	1	1	0	0	2
Chicago Region	1	1	3	0	5
Sub Total	12	12	20	6	50

HEADQUARTERS

TACTICAL INTELLIGENCE UNIT

Intelligence Division	0	15		15
Office of Investigations	0	1		1
Total	12	12	6	66

Question: 6. How many of the 66 positions authorized for the Office of Intelligence Support are dedicated to drug intelligence?

Answer: Within the Customs Headquarters Intelligence Division, 13 positions are currently programmed to be dedicated to drug intelligence. The numbers dedicated to drug intelligence in the field elements vary from region to region depending on the regional management's requirements. All intelligence assets are targeted against the current priorities of drug intelligence, financial intelligence, critical technology, and commercial fraud.

Question: 7. What other suggestions can you make to improve the collection and processing of both strategic and tactical intelligence relating to drug trafficking?

Answer: Several actions both internally and externally to Customs have been initiated which will improve Headquarters collection and processing of both strategic and tactical intelligence relating to drug trafficking. Internal to Customs, these actions include:

- A commitment on the part of Customs management that a viable intelligence program will exist in Customs
- Establishing a secure communications capability within Customs which will enable the passing in a time sensitive manner, classified information received from the Intelligence Community.
- Obtaining a TEMPEST approved computer for storage and dissemination of classified information.
- Establishing for the first time, a formal reporting mechanism between Headquarters and Regional Intelligence Units.
- Restructuring intelligence assets Customs-wide to ensure for both a strategic and tactical posture.
- Establishing closer and better relationships with the Intelligence Community pertaining to the narcotics problem.

External Actions:

- Creation of the National Narcotics Border Interdiction System will focus on narcotics interdiction at the Federal level with greater support and interface with the Department of Defense.

Establishment of a 24 hour Coast Guard Intelligence Coordination Center in Washington, D.C. Information developed by this Center will consist of all source information of which Customs will be a consumer.

- Increased congressional interest and support concerning the national narcotics problem as evidenced in the recent Air Interdiction Hearing conducted in Phoenix.
- Establishment of Communications monitoring and Direction Finding (DF) programs by various Federal Agencies. These efforts provide real time tactical intelligence of on-going smuggling operations.

QUESTION #8. On p. 34 of your prepared statement and in your testimony before the Committee you indicated that you had a list of legislative measures Customs felt would be helpful and said you would submit this list for the record. Apparently we did not obtain a copy of the list at the hearing and would appreciate it if you would submit it at this time.

ANSWER: UNITED STATES GOVERNMENT

Memorandum

DEPARTMENT OF THE TREASURY
UNITED STATES CUSTOMS SERVICE



DATE: SEP 7 1982

FILE: MAN-06-01 CC:MFS
CC-81-05-01

TO : Assistant General Counsel (ALI)

FROM : Chief Counsel

SUBJECT: Request for Submissions to the Treasury Legislative Program for the 98th Congress, First Session

This is in response to your memorandum dated August 9, 1982, requesting a report covering the proposed legislative program of the United States Customs Service for the 98th Congress, First Session.

PART I - PRESIDENT'S PROGRAM PROPOSALS

None at this time

PART II - ALL OTHER PROPOSALS

The following programs are listed in order of priority:

1. Amendments to the Currency and Foreign Transactions Reporting Act (P.L. 91-508). This bill would make it unlawful to attempt to import/export currency and negotiable instruments into/from the United States without complying with the reporting requirements of the Act. It would also authorize warrantless searches for currency violations of persons entering or departing the United States. Finally, the bill would allow for the payment to informers of 25 percent of the amount recovered as fines, penalties, or forfeitures for violations of the Act up to a maximum of \$250,000. This proposal, with the exception of the informer's award provision, was contained in H.R. 13577 and S. 3411 of the 94th Congress and H.R. 2462, S. 3299 and S. 3437 in the 95th Congress. Separate bills to accomplish these purposes were introduced in the 96th Congress as H.R. 4071, 4072, and 1073, and consolidated bills appeared as S. 2236 and H.R. 5961. S. 2572 of the 97th Congress, which we understand is sponsored by the Administration, contains the essential elements of this proposal.

2. Additional Arrest Authority for Officers of the United States Customs Service. The proposed bill would amend the Tariff Act of 1930 by adding a new section 589 to grant additional arrest authority for officers of the United States Customs Service. The new section would supplant section 7607

of the Internal Revenue Code of 1954 and would authorize Customs officers to make arrests without warrant for any offense against the United States committed in their presence, or for any felony cognizable under the laws of the United States if they have reasonable grounds to believe that the person to be arrested has committed, or is committing such felony. A similar provision was contained in H.R. 8367 and a similar proposal was contained in section 3013 of S. 1437, the proposed revision of Title 18, which passed the Senate on January 30, 1978. In the 96th Congress, a similar provision was contained in the Motor Vehicle Theft Prevention Act and was contained in the Criminal Justice Reform Act.

3. Omnibus Enforcement Provisions. The Customs Service is preparing an omnibus enforcement bill which would include several provisions to improve the enforcement effectiveness of the Customs Service. In addition to items 1 and 2 mentioned above, this bill would include the following elements:

a. It would amend the summary forfeiture provisions to raise the limit from \$10,000 to \$100,000 for everything except conveyances used to transport or store controlled substances. With regard to such conveyances there would be no limit for summary forfeiture. Conforming amendments would also be made to raise the amount required for a bond to obtain judicial forfeiture of items normally subject to summary forfeiture and to give additional notice to interested parties.

b. A Customs enforcement fund would be established into which all proceeds of sale of forfeited merchandise would be deposited. Thereafter, expenses of seizure, storage and sale, liens, informers awards, purchase of information and certain covert operations would be paid from such fund. The establishment of the fund would encourage better utilization of Customs resources and would remove from the annual appropriations process those items over which the Customs Service has little control. Oversight would be provided through reports to Congress.

c. The Commissioner of Customs would be authorized to transfer forfeited property directly to other Federal, state or local agencies which assist Customs in the enforcement of laws or which participated in the act which led to the property being seized. In addition, Federal forfeiture proceedings could be terminated to allow states to forfeit contraband and conveyances. These provisions are designed to increase Federal and state cooperation in law enforcement.

d. Amendments to the Customs administrative summons and subpoena provisions (19 U.S.C. 1509, 31 U.S.C. 1034) to allow civil subpoenas and summonses to be used in types of enforcement situations not now covered.

e. To raise the amount which may be paid to persons reporting violations of laws administered or enforced by the Customs Service.

f. Amendment to the electronic surveillance statute to authorize interception of wire or oral communication for any offense involving the unlawful importation or exportation of merchandise or currency. This would increase effectiveness in narcotics, currency and high technology export cases.

g. Miscellaneous amendments to establish civil penalties for departure without obtaining permission from Customs or from entering the United States without reporting to Customs. This provision would close loopholes in existing Customs law.

h. The bill would amend section 433 of the Tariff Act of 1930, as amended (19 U.S.C. 1433), to eliminate the provision permitting the master of a vessel 24 hours in which to report the arrival of the vessel. The bill would authorize the Secretary of the Treasury to require the master to report immediately and would also afford greater flexibility in designating where arrival may be reported. By utilizing centrally located inspection stations and, where needed, by establishing new inspectional stations designed to facilitate the inspection of small boats, Customs will be in a position to concentrate enforcement activities on those vessels failing to report immediately, on the assumption that they may be involved in smuggling. The bill would also amend section 459 of the Tariff Act of 1930, as amended (19 U.S.C. 1459), to allow the Secretary of the Treasury to prescribe by regulation those places other than customhouses where such vessels may report. This proposal was contained in H.R. 13577 and S. 3411 of the 94th Congress, and H.R. 2462, S. 3299 and S. 3437 in the 95th Congress.

4. Customs Brokers. The bill would amend section 641 of the Tariff Act of 1930, as amended (19 U.S.C. 1641), to improve and strengthen the law pertaining to the licensing and regulation of Customs brokers. The bill would require that Customs brokers obtain a national license and local permits for those Customs districts within which the broker desires to do business. The bill would require more direct supervision over Customs brokerage firms by licensed brokers. Also, a monetary penalty is provided for in addition to or in lieu of the existing disciplinary measures, i.e., suspension or revocation of the broker's license. Finally, the Secretary of the Treasury would be authorized to require insurance or an escrow account to safeguard funds that the broker has received from a client for payment to the Customs Service, or vice versa. The proposals for national licensing and local permits, closer supervision over brokerage firms, the monetary penalty and the safeguarding of funds, were contained in Title III of H.R. 9220 of the 95th Congress.

5. Customs Procedural Improvements. The Customs Service is preparing a bill which would include several provisions to improve various Customs procedures. The bill would include the following elements:

- a. It would raise the present \$250 value limit for informal entries to \$1,500. Numerous bills have been introduced in the past to raise this limit. One of the most recent ones, supported by the Department of the Treasury, was contained in H.R. 8149, introduced on June 30, 1977, and enacted as P.L. 95-410. A proposal in that bill to raise the informal entry limit to \$600 was deleted prior to enactment of the bill. In the 96th Congress, a proposal to raise the informal entry limit to \$600 was contained in H.R. 7063 but was opposed by the Department of Commerce and ITC due to a possible loss of import statistics. In the 97th Congress, S. 201 was introduced, also to raise the informal entry limit to \$600.
 - b. The bill would amend section 505 of the Tariff Act of 1930, as amended (19 U.S.C. 1505), by adding a new subsection (c), to require that bills for increased or additional duties determined to be due on a liquidation or reliquidation are due on the date of that determination, and to provide for the payments of interest, in appropriate circumstances, both by and for the Government. The bill would overturn the Court of Customs and Patent Appeals decision in the case of United States v. Heraeus-Amersil which had held that such increased or additional duties were not due and payable until either the protest period or the time to appeal to the Court of International Trade had expired. The package is under review at Treasury.
 - c. Provisions allowing the United States Customs Service to forego collection of small amounts of duty, penalties or other amounts where the cost of collection exceeds the amount collected.
 - d. It would implement the Customs Convention on Containers, 1972, which was approved by the Senate on September 15, 1976. This proposal was sent to the 95th Congress where it was referred to the Senate Finance and House Ways and Means Committees. The proposal was also sent to the 97th Congress on April 23, 1982, and is pending in Committee.
 - e. It would authorize the expenditure of funds for the improvement, expansion, alteration, repair or replacement of border facilities upon a determination by the Secretary of the Treasury or the Attorney General that the existing facility no longer adequately serves the purpose for which it was erected and would amend 19 U.S.C. 68 to increase the amount which may be expended on an initial acquisition by the Secretary of the Treasury or the Attorney General. The proposal was reviewed in Treasury and returned to Customs for technical changes. A new package is being processed for submittal to the 98th Congress.
6. Increase the Uniform Allowance. The proposed bill would amend 5 U.S.C. 5902 to provide an increase in the annual uniform allowance available to Federal employees. Since 1972, Customs has made repeated efforts to have the Office of Personnel Management (and its predecessor, the Civil Service Commission) sponsor legislation to increase the maximum allowance rate of \$125. While we received, reviewed and commented on numerous CSC draft proposals, the allowance structure was never changed. In 1974, Senator Byrd

introduced a bill that would have substantially increased the allowance but the bill died in committee. In the 96th Congress, 1st Session, a bill was introduced by Congressman Schroeder but also died in committee.

7. User Fees. This bill would authorize the Secretary of the Treasury to prescribe and collect fees for the processing of persons, aircraft, vehicles, vessels, and merchandise arriving in or departing from the United States, in an amount sufficient to reimburse the Government for all costs, to be paid by the recipient of the service. It would also amend the drawback law to provide that Customs retain a greater percent of refunded duties to cover administrative costs and amend the law regulating brokers to authorize the Secretary of the Treasury to establish an annual license fee. Furthermore, the bill would delete Amtrak's exemption from reimbursing the Federal Government for the cost of Customs or Immigration inspection and delete the airlines' exemption from paying any administrative overhead costs associated with Government inspections at airports of entry.

8. Customs Inspector Overtime. This bill would amend section 451 of the Tariff Act of 1930, as amended (19 U.S.C. 1451), and would repeal section 5 of the Act of February 13, 1911, as amended (36 Stat. 901; 19 U.S.C. 261, 267) and section 2 of the Act of June 3, 1944, as amended (58 Stat. 270; 19 U.S.C. 1451a), all relating to Customs inspectional overtime compensation. The bill would change the rates of pay for Customs inspectional overtime, Sunday, and holiday services. As in the present law, under this bill the cost of these services would be paid by the person who requests them, with the exception for services at land borders found in the present law. The bill would repeal a provision in the present law vesting authority in the appropriate Customs officers, a provision replacing the Supreme Court case United States v. Myers. The bill also includes other minor provisions and modernizing provisions.

PART III - OTHER LEGISLATION MATTERS UNDER CONSIDERATION BY THE UNITED STATES CUSTOMS SERVICE, DEPARTMENT OF THE TREASURY.

A. Proposals Which Should Become Part of the President's Program.

Amendments to the Currency and Foreign Transactions Reporting Act (P.L. 91-508)

Additional Arrest Authority for Officers of the United States Customs Service

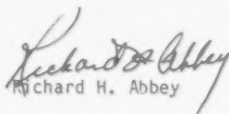
Omnibus Enforcement Provisions

B. None at this time

PART IV - LAWS ADMINISTERED BY THE UNITED STATES CUSTOMS SERVICE WHICH WILL EXPIRE BETWEEN SEPTEMBER 15, 1982, AND DECEMBER 31, 1984

The following temporary duty suspensions of TSUS items expire during the time in question. The Customs Service takes no position on the advisability of seeking extensions.

<u>TSUS Item Number</u>	<u>Commodity</u>
901.50	Ethyl alcohol
903.45	Water chestnuts or bamboo shoots, frozen
903.50	Water chestnuts
903.55	Bamboo shoots in airtight containers
903.70	Feathers and down
903.80	Feathers and down, other
905.40	Textile fabrics of manmade fibers
907.05	Bis(4-aminobenzoate)-1,3-propanediol (trimethylene glycol di-p-aminobenzoate)
911.00	Zinc-bearing ores
911.01	Zinc dross and zinc skimmings
911.02	Zinc-bearing materials
911.03	Zinc waste and scrap
911.29	Chipper knife steel
911.50	Unwrought lead, other
912.05	Generator lighting sets for bicycles
912.10	Caliper brakes, drum brakes, etc.
912.13	Power-driven flat knitting machines
912.14	Warp knitting machines


Richard H. Abbey

QUESTION #9: Please provide the Committee with a statistical summary of the accomplishments you have achieved in South Florida as a result of the investigatory authority delegated to you by the Attorney General. For example, what percent of Customs drug seizures and arrests have been followed up by investigations? What results have these post-arrest and post-seizure investigations yielded?

ANSWER: Since the inception of the South Florida Task Force on March 15, 1982, through August 31, 1983, the following results have been achieved:

- 1581 Arrests
- 376 Cocaine seizures, totaling 7,088 pounds
- 577 Marijuana seizures, totaling 1,963,658 pounds
- 9 Methaqualone seizures, totaling 160,463 dosage units
- 75 Vehicle seizures, valued at \$627,325
- 26 Aircraft seizures, valued at \$1,720,500
- 184 Vessel seizures, valued at \$16,523,050
- 125 Currency seizures, totaling \$2,560,500
- 350 Firearm seizures, valued at \$135,191

Up until April 1983, all drug seizures and arrests have been followed up by investigation by the South Florida Task Force. However, due to the tremendous manpower requirements and the limited resources available, a limit has been imposed whereby seizures of less than 10 lbs of marijuana and $\frac{1}{2}$ lb of cocaine are no longer investigated. This limit affects only those seizures at the Miami International Airport.

The results of these post-arrest and post-seizure investigations have resulted in numerous arrests and seizures, establishment of confidential informants, and the initiation of new cases. Currently, the task force along with GAO are compiling exact figures of post-arrest and post-seizure investigative accomplishments.

QUESTION #10: Mr. Corcoran indicated that during the last year the U.S. Attorney's Office in South Florida has been accepting every Customs drug case for prosecution.

- a. How does this compare with the percentage of Customs drug cases accepted for Federal prosecution in the rest of the country?
- b. What percent of Customs drug arrests result in convictions -- (1) in South Florida? (2) in the rest of the country?
- c. Prior to the initiation of the task force, what percent of Customs drug arrests in the South Florida area resulted in conviction?

ANSWER:

- a. As a result of the Reorganization Plan No. 2 of 1973, the U.S. Customs Service has not conducted any post-arrest or seizure investigations involving narcotics. This function has been performed solely by the DEA. Consequently, Customs does not refer drug cases to the various U.S. Attorneys Office for federal prosecution.

- b.1 An office summary compiled by the U.S. Attorneys Office in Miami, Florida, (Southern Judicial District) pertaining to drug cases referred to them by the South Florida Task Force from March 15, 1982, until May 28, 1983, are as follows:

665 Complaints filed for 1090 defendants
 444 Indictments for 702 defendants
 488 Convictions
 43 Dismissals
 11 Acquittal

The above figures relate that only a portion of those arrested have been indicted and subsequently convicted. The remainder are either awaiting indictment and/or trial. Consequently, a percentage of arrests resulting in convictions is unknown at this time.

NOTE: The above figures do not include the U.S. Attorneys Offices in Jacksonville and Tampa, Florida. These offices have not compiled an office summary. Also, the U.S. Attorneys Office, Miami, compiles their figures quarterly and their most recent one up to August 1983 is expected soon.

- b.2 Refer to answer 10(a) and 10(c).

- c. The drug arrests made by the U.S. Customs Service in the South Florida area prior to the task force have all been referred to DEA. As a result, the DEA would conduct the necessary investigative functions in order to obtain prosecutions and convictions. Consequently, Customs was not always apprised of the results of the arrests. Therefore, a percentage of arrests resulting in convictions is unknown.

QUESTION: In response to question #3, you outlined the assistance you have received from the Department of Defense. Please provide the Committee with specific information as to the costs Customs has incurred for DOD assistance rendered to Customs in Fiscal Years 1982 and 1983 to date.

ANSWER: Assistance from the Department of Defense began to increase in FY 1982. Customs reimbursed DOD in FY 1982 for approximately \$800,000 for their participation in Customs Operation THUNDERBOLT. THUNDERBOLT was an effort to determine the effectiveness of the Navy's E-2C aircraft and radar in detecting low-flying suspect aircraft engaged in smuggling. The amount reimbursed to the military was for maintenance and repairs of the E-2C aircraft, fuel and per diem for Navy personnel.

In FY 1982 Customs expended approximately \$2.4 million for maintenance and operation of loaned military equipment. In FY 1983, with the increased assistance from the DOD, these costs increased to approximately \$3.0 million. FY 1983 costs are for the operation of OV-10 aircraft, as well as Black Hawk and Cobra helicopters. In addition, FY 1983 saw a \$3.75 million supplemental appropriation for modification of the first P-3 aircraft (installation of F-15 radar).

QUESTION: Your answer to question #4 describes your request to DOD for certain aircraft and equipment to improve your air interdiction program.

- a. What is the status of your request at this time?
- b. You state that the cost of modifying the aircraft, installing the sensors, and then operating and maintaining this equipment will be met initially by the funds requested in the FY 1984 budget. What funds were requested in the 1984 budget for these purposes? Please provide a breakdown of the costs for aircraft modification, equipment installation, and operation and maintenance. After the initial costs of modification and equipment installation, what do you estimate it will cost Customs to operate and maintain these aircraft and equipment on an annual basis?
- c. Where will these aircraft be deployed?
- d. As we understand it, both Coast Guard and Customs are engaged in air interdiction efforts across our seacoasts and Customs has exclusive responsibility for anti-smuggling air patrol over our land frontiers. Will the aircraft and equipment used in, and the mission of, the Customs air patrol program in any way duplicate or overlap with the aircraft, equipment and mission of the Coast Guard air patrol program? Can you assure the Committee that operational conflicts will be avoided?

ANSWER: a. The first P-3 aircraft has been delivered by the Navy to the contractor, for work to begin on installation of the F-15 radar. While an exact date for operation has not been established, it appears that the modified P-3 will be available for testing and evaluation in the Summer of 1984. In recent Congressional testimony DOD indicated that we could expect the three additional Black Hawk helicopters to be delivered to Customs in early calendar 1984, and that the first of the C-12 aircraft would be loaned to Customs in fiscal 1985. However, we have received no written commitment from the military on these loans.

- b. The latest available information on the FY 1984 budget indicates that the following funding may be made available for support and operation of the loaned military equipment:

Support of military assets turned over to Customs (operation and maintenance)	\$7,240,000
Modification and equipment for military assets	4,610,000

Our FY 1985 budget request includes \$5.5 million for operation and maintenance of military equipment, over the FY 1984 base. We estimate that it will take approximately \$15 million annually to operate and maintain the loaned military aircraft once all P-3's, C-12's and Black Hawks are acquired.

ANSWER #12 (Continued)

- c. We have developed a preliminary deployment plan for the P-3's, C-12's and Black Hawks. These plans are subject to change, of course, as the air smuggling threat changes and priorities dictate:

P-3 (New Orleans, Tucson, Jacksonville, Miami, San Antonio, San Diego and El Paso. The eighth P-3 would serve as a replacement for others that are down for routine maintenance).

C-12 (San Diego (2), Houston (2), Jacksonville (2), Miami (3), San Antonio, New Orleans, El Paso and Tucson (1) each).

Black Hawk (Miami, Jacksonville and New Orleans).

- d. The Customs Service has enjoyed an excellent relationship with the Coast Guard. Each agency has a unique mission to contribute to drug enforcement.

The primary mission of Customs is to interdict contraband at our borders. The P-3 airborne radar, along with our other detection capabilities, will greatly increase our ability to perform this function, particularly over broad land border areas such as in the southwest United States.

We recently contacted the Coast Guard to offer our assistance with the upcoming P-3 aircraft. It is our goal to ensure that our drug enforcement resources are used in the most effective way possible, and that they will compliment—not duplicate—the enforcement efforts of other agencies which have a role in this area. We will continue to keep the lines of communication open.

QUESTION: In response to question #5 about NNBIS, you refer to
#13 a comprehensive proposal submitted by Customs to
Treasury concerning Customs' role in NNBIS.

- a. Please provide a copy of this proposal to the Committee.
- b. What is the status of this proposal? Are you better able to tell the Committee now what your level of participation in NNBIS will be, the additional resources you will need to participate in NNBIS, and how you will obtain these resources?

ANSWER : a. The proposal relating to Customs participation in NNBIS is attached.

- b. The Customs Service is presently actively participating in the NNBIS program. Of the six established regional centers, Customs is the lead agency in three of them and is second in command for the other three centers. No additional resources will be required for this mission as the Customs Service has always been active in narcotic interdiction efforts. Customs will continue to support the NNBIS effort which is dedicated to the coordination of all Federal efforts toward narcotic interdiction.

IN DEPARTMENT

MAY 12 1983

ENF-1 E P A E

MEMORANDUM TO: Admiral Daniel J. Murphy
Chief of Staff, Office of the Vice President

THROUGH: John M. Walker, Assistant Secretary
(Enforcement and Operations)

FROM: Commissioner of Customs *[Signature]*

SUBJECT: National Narcotics Border Interdiction System
(NNBIS)

The Customs Service welcomes the opportunity to participate in the National Narcotics Border Interdiction System (NNBIS). The formation of this Federalwide narcotic interdiction effort comes at a very opportune time for Customs. Our deep involvement in the Vice President's Florida Task Force has given us firsthand experience in what we have to contribute to enforcing the nation's narcotic smuggling laws.

A major reorganization of our field enforcement structure has been completed. By streamlining the chain of command and redefining responsibilities, the interaction among our enforcement arms is being greatly enhanced. Our ability to participate in NNBIS is centered around two major points: (1) we have already planned and funded numerous interdiction operations, and (2) our command and communications centers are already in place.

Customs has initiated major interdiction efforts which work in conjunction with NNBIS. We have air branches and units along the southern border, stretching from Miami to San Diego. The loan of military aircraft in FY 1984 will be a major advancement in our ability to detect, intercept and apprehend suspect smugglers. The redeployment of resources last year has resulted in more productive use of our personnel and equipment. Marine Modules (patterned after the concepts of the Air Module) are scheduled to be implemented in several locations this year. Customs is presently prepared to assume its interdictory role in NNBIS.

There are numerous special enforcement operations ongoing or planned for 1983, which have been coordinated with other law enforcement agencies. These operations include:

- Contraband Enforcement Teams (CET) will conduct operations in high-risk narcotics smuggling areas, focusing on intelligence collection and tactical interdictory operations.
- Intelligence information, profiles and enforcement teams will target vehicles and cargo crossing the northern border.
- Specific commodities and country of origin shipments utilizing in-bond procedures will be examined at ports of arrival and destination.
- Canine teams will be used to screen mail for narcotics at several international mail facilities.
- Plans are underway to place radar on offshore drilling rigs in the Gulf of Mexico, increasing our detection capabilities in this high threat smuggling area.
- Conspiracies involving elements of the transportation business have been documented in many ports. The investigation of these sophisticated operations will be a priority enforcement program.

In order to ensure the success of NNBIS, we propose that a NNBIS Working Group be established as expeditiously as possible to define NNBIS goals and objectives and add stability to the NNBIS operation. The Group should be chaired by Customs and composed of the five highest law enforcement officials of the following agencies; Customs, Coast Guard, DEA, INS and DOD with ad hoc representation from the intelligence community.

The Coordinating Board chaired by Admiral Murphy would be responsible for coordination with Congress and OMB and provide overall policy direction to the Working Group. The Working Group would be charged with coordination and interface with DOD, state and local enforcements agencies, and the press. The NNBIS Working Group would oversee resource requests, intelligence requirements, major joint operations and coordination with the Drug Task Forces.

Group would oversee the operation of five regional NNBIS Working Groups located in New York, Miami, Houston, Los Angeles, and Chicago, already identified as major drug interdiction centers. Customs has 24-hour operational communication and intelligence centers in all of these cities and could provide immediate service for all of the NNBIS operations. Customs has a 24-hour communication center in Washington which could serve as the central NNBIS command center.

We believe NNBIS should attack narcotics interdiction simultaneously at and between ports of entry by air, land and sea operations. Air and marine operations would be along the lines established by the highly successful South Florida Project.

We would like to meet with you to discuss these and other NNBIS proposals in greater depth as soon as possible and to make arrangements for an early meeting of the NNBIS Working Group.

Since the President announced this program on March 23, 1983, we feel it is imperative to quickly implement the organizational and operational structure.

QUESTION:

15. With respect to question #15, what evidence do you have to show whether the increased enforcement results obtained at facilities using modified passenger inspection techniques is due to your new procedures, intensified smuggling activity or some other factor or combination of factors?

ANSWER:

We have made gains in the area of selective enforcement as indicated in our Final Report - Observational Techniques Training. Since the completion of this training, we have monitored seizures which were a direct result of the training. There has been a marked increase in quality interdictions involving both the number of internal body carries and the number of carries by conventional means. Further, we have attempted to create a favorable working environment in which to employ the observational techniques. This has been achieved through the implementation of red/green systems, the relaxing of rigid mandatory inspection standards, and through the creation of rover teams who work throughout the entire inspectional area.

QUESTION: The data in response to question #17 show that the quantity of cocaine seized by Customs air patrol units, as a percentage of the total weight of Customs cocaine seizures, dropped from 37.8 percent in FY 1981 to 15.2 percent in FY 1982 and 9.7 percent through the first 7 months of FY 1983. Over the same period, the quantity of marijuana seized by air patrol units fell from 8.0 percent to 5.6 percent of total Customs marijuana seizures. During this same period Customs intensified its interdiction effort in the South Florida area -- the major point of entry for illicit marijuana and cocaine -- and for the first time was able to make use of DOD assistance on a much broader basis.

- a. How do you explain the declining productivity of the air program at a time when the supplies of illicit drugs being smuggled into the country were estimated to be increasing sharply?
- b. How do you justify expansion of the air program as requested in your 1984 proposal in light of the results achieved so far?

ANSWER: a. & b. The amount of cocaine seized in the Customs Air Program has continued to rise. In FY 1981 1,980 pounds were seized; in 1982 2,205 pounds were seized, and during just the first 10 months of FY 1983 4,270 pounds were seized.

Seizures and arrests are not the sole indicators of interdiction effectiveness; deterrence (or disruption to the smuggler) is also a factor. Deterrence (or disruption) is indicated by a number of factors--reduced smuggler activities, changes in smuggling routes or methods, less evidence of crashed aircraft and informant information are among them. As our intensified enforcement presence in Florida has disrupted smugglers, activity has increased elsewhere. The increased military equipment will give us the capability to better deter smugglers altogether, rather than merely send them elsewhere.

It is difficult to estimate the enforcement results which will accrue as additional interdiction capability is established. Past experience has shown that initial seizures and arrests are very high, but taper off once the smugglers realize our presence. As stated above, deterrence is an important factor. Seizures and arrests are a direct indicator of the degree of smuggler activity present in a given area. As that activity is disrupted, seizures and arrests should decrease. Our objective is to stop the flow of contraband. This is accomplished by seizures/arrests and deterrence.

QUESTION # 17:

In response to questions # 13, 18 and 19, you urge that Customs be given authority to gather intelligence in foreign countries and conduct post-interdiction investigations of Customs narcotics seizures. Customs is currently prohibited from engaging in these activities under Reorganization Plan No. 2 of 1973.

- (a) To what extent have you discussed this proposal with the Department of Justice? Does Justice support it?
- (b) Are there any plans for the Attorney General to delegate additional investigative authority to Customs similar to what was done in South Florida?

ANSWER:

- (a) We have had numerous discussions with the Department of Justice concerning the receiving of additional authority for U.S. Customs to conduct post-interdiction narcotic investigations. Department of Justice's present feeling is that U.S. Customs role in narcotic investigations be focused primarily in the area of financial investigations.

We are presently embarking on a program, coordinated with DEA, to conduct pre-interdiction narcotic investigations relative to internal cargo conspiracy investigations. These conspirators are transportation and freight industry employees who smuggle narcotics by circumventing Customs examination by a variety of methods.

- (b) Other than the authority granted to us in South Florida, I am not aware of any plans for the Attorney General to delegate additional investigative authority to Customs.

PREPARED STATEMENT OF
WILLIAM von RAAB
COMMISSIONER OF CUSTOMS

MR. CHAIRMAN, MEMBERS OF THE SELECT COMMITTEE,

I AM PLEASED TO COME BEFORE YOU TODAY TO DISCUSS THE CUSTOMS SERVICE EFFORTS TO HALT DRUG TRAFFICKING AT OUR NATION'S BORDERS. I AM PLEASED TO BE HERE TODAY BECAUSE IT IS IN FORUMS SUCH AS THESE, THAT WE ARE BETTER ABLE TO INFORM THE AMERICAN PEOPLE ABOUT THE SERIOUS NATURE OF THE DRUG SMUGGLING THREAT.

MR. CHAIRMAN, THE CUSTOMS SERVICE IS AN OLD AND PROUD AGENCY, WITH A RICH HERITAGE AND A COLORFUL BACKGROUND. AS MANY OF YOU MAY KNOW, THE CUSTOMS SERVICE WAS OUR NATION'S FIRST FEDERAL LAW ENFORCEMENT AGENCY, AND TRADITIONALLY IT HAS HAD A VERY BROAD MISSION, INCLUDING THE COLLECTION OF REVENUES AND NUMEROUS ACTIVITIES IN THE LAW ENFORCEMENT AREA, ESPECIALLY ACTIVITIES RELATING TO THE SMUGGLING OF CONTRABAND, INCLUDING NARCOTICS.

MR. CHAIRMAN, WHEN I CAME TO THE CUSTOMS SERVICE NEARLY TWO YEARS AGO, I WAS DISTRESSED TO LEARN THAT WITHIN CUSTOMS, LAW ENFORCEMENT ACTIVITIES GENERALLY HAD BEEN SOMEWHAT DEEMPHASIZED

UNDER THE PREVIOUS ADMINISTRATION, AND OTHER ACTIVITIES HAD ASSUMED A HIGHER PRIORITY WITHIN THE AGENCY. AS COMMISSIONER, I IMMEDIATELY SET ABOUT CORRECTING WHAT I FELT WERE DEFICIENCIES IN THE ENFORCEMENT AREA, AND REBUILDING THE ENFORCEMENT CAPABILITY OF THE CUSTOMS SERVICE BECAME MY TOP PRIORITY.

TODAY, STRENGTHENING THE ENFORCEMENT POSTURE OF THE CUSTOMS SERVICE REMAINS MY TOP PRIORITY. WE HAVE SIGNIFICANTLY RESTRUCTURED THE MANAGEMENT OF OUR ENFORCEMENT ACTIVITIES, NOT ONLY AT HEADQUARTERS, BUT DOWN TO THE REGIONAL LEVEL AS WELL, AND WE HAVE ATTEMPTED WHENEVER AND WHEREVER POSSIBLE TO DEVOTE MORE RESOURCES AND MORE ATTENTION TO SERIOUS LAW ENFORCEMENT MATTERS. I THINK THAT IN A RELATIVELY SHORT PERIOD OF TIME, WE HAVE COME A LONG WAY, AND HAVE MADE SIGNIFICANT PROGRESS IN OUR EFFORTS TO ENSURE THAT THE U.S. CUSTOMS SERVICE FUNCTIONS AS A HIGHLY EFFECTIVE LAW ENFORCEMENT AGENCY, PARTICULARLY AS IT RELATES TO NARCOTICS SMUGGLING.

I THINK, MR. CHAIRMAN, THAT BY ANYONE'S STANDARDS, TODAY, THE CUSTOMS SERVICE CAN BE REGARDED AS AN AGGRESSIVE AGENCY, THAT IS DOGEDLY DETERMINED TO DO THE VERY BEST JOB POSSIBLE TO COMBAT NARCOTICS SMUGGLING.

MR. CHAIRMAN, DESPITE THE PROGRESS THAT HAS BEEN MADE BY ALL OF THOSE AGENCIES INVOLVED IN THE WAR AGAINST NARCOTICS, WE STILL HAVE MUCH TO DO IF WE ARE TO EFFECTIVELY AND SUCCESSFULLY MEET THE NARCOTICS SMUGGLING THREAT. AND MAKE NO MISTAKE ABOUT IT, THE THREAT WE FACE IN THIS AREA IS SIMPLY ENORMOUS. NARCOTICS SMUGGLING IS A BIG BUSINESS, AND ONE, THAT SADLY, WE MUST MEASURE IN TERMS OF BILLIONS OF DOLLARS WORTH OF DRUGS WHICH ARE BEING SMUGGLED INTO THIS COUNTRY ON AN ANNUAL BASIS.

MR. CHAIRMAN, NONE OF US SHOULD UNDERESTIMATE THE DESTRUCTION WHICH DRUG ABUSE HAS WROUGHT ON OUR SOCIETY. THE DESTRUCTION IS NOT ALWAYS SUMMARIZED IN NEAT STATISTICS, BUT ITS IMPACT IS THERE FOR ALL TO SEE.

AS I INDICATED EARLIER, THE DRUG THREAT WE FACE IS SIMPLY STAGGERING, IT -- AT TIMES APPEARS ALMOST OVERWHELMING. OF COURSE, WE IN THE CUSTOMS SERVICE ARE PRIMARILY CHARGED WITH INTERDICTING THESE ILLICIT DRUGS, AND TRYING TO KEEP AS MANY OF THEM AS POSSIBLE OUT OF THE COUNTRY.

IN TRYING TO COPE WITH THIS SERIOUS PROBLEM, MR. CHAIRMAN, I WOULD LIKE TO POINT OUT THAT WE FACE A COMBINED THREAT WHICH CONFRONTS US NOT ONLY AT THE LAND BORDER, BUT IN THE AIR, AND ON THE SEAS AS WELL. WE AT CUSTOMS ARE DETERMINED TO MEET THIS BROAD THREAT, AND COMBAT DRUG SMUGGLING TO THE VERY BEST OF OUR ABILITIES. MR. CHAIRMAN, AT THIS TIME, IT MIGHT BE HELPFUL TO THE COMMITTEE IF I WERE TO OUTLINE AND DISCUSS THE NATURE OF THE SMUGGLING THREAT IN MORE DETAIL, AND PROVIDE TO THE COMMITTEE, INFORMATION ON HOW WE ARE MEETING THE VARIOUS DIMENSIONS OF THE NARCOTICS SMUGGLING THREAT WE'RE FACING.

FIRST, WE FACE A SIGNIFICANT THREAT OF NARCOTICS SMUGGLING AT OUR INTERNATIONAL AIRPORTS LOCATED THROUGHOUT THE COUNTRY. A SIGNIFICANT AMOUNT OF NARCOTICS IS SMUGGLED INTO THIS COUNTRY BY ARRIVING AIRLINE PASSENGERS. SIGNIFICANT QUANTITIES OF COCAINE, HEROIN, --ESPECIALLY HEROIN -- HASH OIL AND SOME MARIJUANA IS SMUGGLED INTO THE COUNTRY VIA AIR PASSENGERS. ILLICIT DRUGS ARE

SMUGGLED INTO THE COUNTRY, OFTEN TIMES CONCEALED IN LUGGAGE AND HAND BAGGAGE CARRIED BY THESE ARRIVING AIR PASSENGERS.

WE ALSO FIND THAT NARCOTICS ARE OFTEN TIMES CONCEALED ON AN AIR PASSENGER, EITHER HIDDEN IN CLOTHING, OR AT TIMES TAPED OR BOUND TO A PERSON'S BODY. IN FACT, LESS THAN TWO WEEKS AGO ON MAY 27, INSPECTORS AT KENNEDY AIRPORT ARRESTED THREE JORDANIAN SKY MARSHALS FOR ATTEMPTING TO SMUGGLE 10 POUNDS OF NEARLY PURE HEROIN INTO THE COUNTRY BY USING THIS METHOD OF CONCEALMENT.

AS I AM SURE YOU ARE AWARE, WE HAVE ALSO FOUND SIGNIFICANT INSTANCES OF INTERNAL BODY CARRIES. MR. CHAIRMAN -- THESE ARE INSTANCES WHERE THE SMUGGLER ACTUALLY SWOLLOWS NUMEROUS PACKETS OF COCAINE. THIS IS A HIGHLY DANGEROUS, BUT SHOCKINGLY ENOUGH, A TACTIC OFTEN EMPLOYED BY DRUG SMUGGLERS.

WE FIND THAT IN MOST INSTANCES THOSE INDIVIDUALS WHO ARE TRYING TO SMUGGLE COCAINE INTO THE COUNTRY IN THIS MANNER, ARE LARGELY LESS EDUCATED, POOR SOUTH OR CENTRAL AMERICANS WHO ARE PAID TO SMUGGLE THESE NARCOTICS BY HIGHER-UPS IN ORGANIZED SMUGGLING RINGS.

IN ATTEMPTING TO COMBAT SMUGGLING BY PASSENGERS AT AIRPORTS, WE HAVE INCREASINGLY TURNED TO THE DEVELOPMENT OF SMUGGLER PROFILES AND SELECTIVITY IN ORDER TO MORE EFFECT-

TIVELY TARGET HIGH RISK PASSENGERS AND HIGH RISK FLIGHTS. THE DEVELOPMENT OF PROFILES, WHICH WE USE TO SELECT CERTAIN PASSENGERS FOR A MORE THOROUGH THAN USUAL INSPECTION, IS ONE TECHNIQUE WHICH HAS HELPED US TREMENDOUSLY. WE HAVE FOUND THAT THERE ARE CERTAIN CHARACTERISTICS ABOUT AIRLINE PASSENGERS WHICH BETTER HELP US TO IDENTIFY POTENTIAL DRUG SMUGGLERS.

WE DON'T LIKE TO DIVULGE THE TRICKS OF THE TRADE, SO TO SPEAK, BUT SOME OF THE TECHNIQUES IN THE DEVELOPING OF OUR PROFILES ARE RATHER OBVIOUS. FOR INSTANCE, A PASSANGER ARRIVING FROM BOGOTA, COLUMBIA, WILL MORE THAN LIKELY RECIEVE MORE ATTENTION THAN A PASSENGER THAT IS ARRIVING FROM LONDON, ENGLAND.

WE HAVE ALSO EMPLOYED MORE ROVING INSPECTORS IN OUR INTERNATIONAL AIRPORTS. THESE INSPECTORS ARE NOT ASSIGNED TO A PARTICULAR LINE OR A PARTICULAR STATION, RATHER THEY ARE FREE TO MOVE ABOUT THE CUSTOMS AREA OR THE BAGGAGE CLAIM AREA TO OBSERVE AND TARGET IN ON-SUSPICIOUS LOOKING PASSENGERS.

IN MANY INSTANCES, WE FOUND THAT A REDESIGNED OR RECONFIGURATION OF THE CUSTOMS FACILITIES AT AN AIRPORT CAN HELP ENHANCE OUR ENFORCEMENT ACTIVITIES, AND WHERE POSSIBLE WE HAVE SOUGHT TO REDESIGN OUR FACILITIES SO THAT WE CAN BETTER CONCENTRATE ON THE ENFORCEMENT MISSION.

WE ARE ALSO ATTEMPTING TO EMPLOY THE LATEST IN HIGH TECHNOLOGY IN OUR EFFORTS TO COMBAT SMUGGLING IN OUR NATIONS AIRPORTS. IN MIAMI WE ARE CURRENTLY TESTING A NARCOTICS SNIFFER. THIS IS A DEVICE THAT LOOKS SOMEWHAT LIKE A WALK THROUGH METAL DETECTOR, EXCEPT THAT IT IS DESIGNED TO SNIFF NARCOTICS ON AN INDIVIDUAL. THE PIECE OF EQUIPMENT IS STILL IN THE TESTING STAGE AND I AM SURE THAT A NUMBER OF REFINEMENTS WILL HAVE TO BE MADE TO IT. HOWEVER, I AM HOPEFUL THAT WE CAN DEVELOP A PRACTICAL AND EFFECTIVE PIECE OF EQUIPMENT WHICH WILL HELP US TO BETTER DETECT A NARCOTICS SMUGGLER.

SEEMINGLY MINOR THINGS, LIKE REDESIGNING OUR CUSTOMS DECLARATION FORM SHOULD ALSO HELP US IMPROVE OUR ENFORCEMENT CAPABILITIES, MR. CHAIRMAN. WE HAVE REDESIGNED OUR DECLARATION FORM TO MAKE IT EASIER FOR AN AIR PASSENGER TO USE AND ALSO TO MAKE IT EASIER FOR THE CUSTOMS INSPECTOR

TO WORK WITH. IF THE FORMS ARE EASIER, FOR OUR INSPECTORS TO WORK WITH, THAT WILL ALLOW THEM MORE TIME TO EITHER VISUALLY INSPECT, OR QUESTION AN ARRIVING AIR PASSENGER. OFTEN TIMES A CUSTOMS INSPECTOR IS MAKING RAPID DECISIONS AS TO WHETHER OR NOT AN INDIVIDUAL SHOULD BE SUBJECTED TO A MORE THOROUGH INSPECTION, AND THOSE EXTRA FEW SECONDS WHICH CAN BE GAINED FROM WORKING WITH A SIMPLER FORM WILL ADD UP.

MR. CHAIRMAN, WE ALSO FACE A SIGNIFICANT THREAT OF NARCOTICS SMUGGLING IN CARGO AT OUR INTERNATIONAL AIRPORTS. TO BETTER MEET THE THREAT OF SMUGGLING IN CARGO, WE HAVE CREATED SPECIAL C.E.T. TEAMS, OR CARGO ENFORCEMENT TEAMS, MADE UP OF SPECIALLY TRAINED INSPECTORS, WHOSE SPECIFIC MISSION IS TO SEARCH ARRIVING CARGO AND AIRCRAFT FOR CONTRABAND. WE HAVE INCREASED SIGNIFICANTLY, THE NUMBER OF INSPECTORS WHO ARE ASSIGNED TO THIS TASK ESPECIALLY AT AIRPORTS LIKE MIAMI. FREQUENTLY, OUR C.E.T. TEAM INSPECTORS WILL MEET COMMERCIAL AIRCRAFT WHEN THEY BLOCK AT THE GATES, AND IMMEDIATELY AFTER THE PASSENGERS DISEMBARK OUR INSPECTORS WILL BOARD THE AIRCRAFT AND INSPECT THE PLANE, NOT ONLY IN THE PASSENGER AREA, BUT THE CARGO AREA AS WELL.

OUR INSPECTION TAKES PLACE BEFORE ANY AIRLINE EMPLOYEES FROM THE AIRPORT BOARD THE AIRCRAFT. MR. CHAIRMAN, THIS IS BECAUSE WE HAVE FOUND THAT ONE OF OUR GREATEST PROBLEMS AT AIRPORTS CONCERNS WHAT WE CALL EMPLOYEE CONSPIRACIES. THAT IS,

THE AIR SMUGGLERS OFTEN HAVE ACCOMPLICES ON THE GROUND WHO ARE EITHER EMPLOYEES OF THE AIRLINES OR THE RELATED SERVICE INDUSTRIES, WHO WILL BOARD THE AIRCRAFT AND ATTEMPT TO QUICKLY REMOVE THE SMUGGLED NARCOTICS FROM ITS CONCEALED LOCATION ON THE PLANE.

CARGO IS ALSO SUBJECT TO INSPECTION AFTER IT HAS BEEN REMOVED FROM THE AIRPLANE AND TRANSPORTED TO WAREHOUSE FACILITIES WHICH ARE STILL WITHIN THE CONFINES OF THE AIRPORT. AGAIN, IN MIAMI AS AN EXAMPLE, WE FIND THAT SIGNIFICANT QUANTITIES OF COCAINE, FOR INSTANCE, ARE SMUGGLED IN COMMERCIAL SHIPMENTS OF CUT FLOWERS AND FROZEN SHRIMP.

WE ALSO UTILIZE TRAINED NARCOTICS DETECTOR DOGS AT OUR AIRPORTS, AND FIND THESE TRAINED DOGS TO BE EXTREMELY VALUABLE TO US IN HELPING TO UNCOVER INSTANCES OF NARCOTICS SMUGGLING. WE DO NOT, OF COURSE, SUBJECT PASSENGERS TO ANY SORT OF INSPECTION IN WHICH THE DOGS ARE USED. HOWEVER, WE DO SUBJECT COMMERCIAL QUANTITIES OF CARGO AS WELL AS AIRLINE PASSENGER LUGGAGE TO THIS TYPE OF INSPECTION.

IT MIGHT BE INTERESTING FOR THE COMMITTEE TO NOTE THAT NOT ONLY DO WE SEIZE THE NARCOTICS WHEN WE FIND THEM AT THE AIRPORTS AND TRY TO MAKE ARRESTS WHEN POSSIBLE, BUT THAT WE WILL ALSO GO AFTER ANY ASSETS THAT WE CAN LINK TO THE NARCOTICS SMUGGLER. IN FACT, WE HAVE SEIZED IN MIAMI, A COMMERCIAL BOEING 707 WORTH SEVERAL MILLION DOLLARS.

MR. CHAIRMAN, AT THIS TIME I WOULD LIKE TO DESCRIBE THE NATURE OF THE THREAT WE FACE AT OUR LAND BORDER CROSSINGS. SMUGGLING AT OUR LAND BORDER PORTS IS A THREAT WE FACE AT EACH ONE OF THE NUMEROUS BORDER CROSSINGS, BUT VERY GENERALLY SPEAKING, MR. CHAIRMAN, THE THREAT IS PROBABLY A LITTLE HIGHER ON THE SOUTHWEST BORDER THAN ON THE NORTHERN BORDER.

TYPICALLY, NARCOTICS THAT WE FIND SMUGGLED INTO THE COUNTRY IN THIS MANNER ARE CONCEALED SOMEHOW IN VEHICLES, CARS OR TRUCKS, AND GENERALLY SPEAKING IS A DIFFICULT TYPE OF SMUGGLING TO DETECT. WE MUST RELY ON THE ABILITY AND JUDGEMENT OF OUR INSPECTORS TO CONCENTRATE ON THOSE VEHICLES AND PASSENGERS WHICH LOOK SUSPICIOUS.

AS WITH OUR AIRPORTS, WE ARE AND HAVE BEGUN TO DEVELOP PROFILES FOR THE SMUGGLER WHO IS COMING ACROSS IN A CAR OR A TRUCK. THE USE OF PROFILES AT LAND BORDER POINTS OF ENTRY IS A NEW TECHNIQUE FOR US, AND IT'S SOMETHING THAT WE ARE TRYING TO PERFECT, BUT ADMITTEDLY, THIS IS EXTREMELY DIFFICULT TO DO.

I FEEL IT'S MORE DIFFICULT TO DEVELOP A GOOD PROFILE FOR A LAND BORDER CROSSING THAN IT IS TO DEVELOP A PROFILE AT AN AIRPORT. THOUSANDS AND THOUSANDS OF VEHICLES OF EVERY POSSIBLE DESCRIPTION COME INTO THE UNITED STATES EVERY DAY AND IT'S A VERY DIFFICULT AREA FOR US. HOWEVER, TO GIVE YOU AN IDEA OF THE

NATURE OF THE THREAT, I WOULD CERTAINLY SAY THAT IT IS MAJOR AND SIGNIFICANT, AND AS AN EXAMPLE JUST LAST FRIDAY AN INSPECTOR AT BROWNSVILLE, TEXAS, FOUND OVER 45 POUNDS OF PURE MEXICAN HEROIN SECRETED IN THE GAS TANK OF A CAR CROSSING THE BORDER, THAT HEROIN HAD A STREET VALUE OF OVER 40 MILLION DOLLARS.

WE ALSO USE THE NARCOTIC DETECTOR DOGS IN SECONDARY INSPECTION OF VEHICLES AT OUR LAND BORDER CROSSINGS AND AGAIN OUR DOGS ARE VERY EFFECTIVE WHEN WE DO SUBJECT A VEHICLE TO A MORE THOROUGH SEARCH AND THEY HELP US TREMENDOUSLY.

THE TECS SYSTEM, OR TREASURY ENFORCEMENT COMMUNICATION SYSTEM, IS IMPORTANT TO US AT OUR LAND BORDER CROSSINGS, IN PARTICULAR BECAUSE WE ARE REFERENCING THAT SYSTEM LOOKING FOR SUSPECT PASSENGERS IN VEHICLES. WE ALSO HAVE UNDER DEVELOPMENT A LICENSE PLATE READER, A PIECE OF HIGH TECH EQUIPMENT WHICH WILL AUTOMATICALLY READ LICENSE PLATES AND FEED THOSE INTO THE TECS SYSTEM.

MR. CHAIRMAN, WHEN WE ARE DEALING WITH SMUGGLING IN OUR LAND BORDER CROSSING, OUR PRIMARY ENFORCEMENT TOOL REMAINS THE INSPECTOR AND THIS IS WHERE THE NUMBERS OF INSPECTORS AND THE NUMBER OF PEOPLE WE HAVE ASSIGNED TO A PARTICULAR LOCATION ARE IMPORTANT TO US.

SIGNIFICANT AMOUNTS OF NARCOTICS ARE ALSO SMUGGLED INTO THE COUNTRY VIA THE POSTAL SYSTEM MECHANISM. HEROIN IN PARTICULAR COMES INTO THE COUNTRY IN SIGNIFICANT QUANTITIES VIA THE MAIL. COCAINE AND HASH OIL AS WELL ARE BROUGHT INTO THE COUNTRY IN THIS MANNER. THE USE OF TRAINED NARCOTICS DOGS IS CRUCIAL TO OUR ENFORCEMENT AT OUR MAIL PROCESSING FACILITIES.

THOUSANDS AND THOUSANDS OF LETTERS AND PACKAGES ARRIVE EVERY DAY, MR. CHAIRMAN, AND SORTING OUT THOSE THAT CONTAIN NARCOTICS AN EXTREMELY DIFFICULT JOB, AND THE USE OF THE DOGS AS I HAVE INDICATED IS CRITICAL IN THIS AREA. OF COURSE, WE ALSO HAVE CUSTOMS OFFICERS ON DUTY THERE AND THEIR VISUAL INSPECTION OF LETTERS AND PARCELS THAT ARRIVE, PARTICULARLY THOSE WHICH ORIGINATED IN THAT AREA OF THE WORLD THAT PRODUCES THE HEROIN OR THE COCAINE.

THE THREAT WE FACE IN THIS AREA IS SIGNIFICANT. AS RECENTLY AS TWO WEEKS AGO WE DISCOVERED OVER 80 POUNDS OF HEROIN WHICH WAS COMING IN A SERIES OF SMALL PARCELS VIA THE MAIL IN OUR OAKLAND, CALIFORNIA MAIL FACILITY.

MR. CHAIRMAN, THE THREE HEROIN SEIZURES OF THE LAST TWO WEEKS WHICH I HAVE THUS FAR MENTIONED, IN NEW YORK, IN BROWNSVILLE, AND IN OAKLAND, TOTAL OVER 135 POUNDS. 135 POUNDS OF HEROIN WHICH DID NOT REACH THE STREETS OF OUR CITIES. 135 POUNDS OF HEROIN WHICH WOULD MAKE OVER 15 MILLION DOSES, THAT

DID NOT REACH THE VEINS OF USERS. AND 135 POUNDS OF HEROIN WHICH MADE THE PROFITEERS OF THIS UGLY BUSINESS 100 MILLION DOLLARS POORER.

JUST ABOUT A WEEK AGO I HAPPENED TO BE IN CALIFORNIA AND I WAS SHOWN ANOTHER EXAMPLE OF SMUGGLING NARCOTICS INTO THE COUNTRY VIA THE MAIL. I WAS SHOWN A SMALL ENVELOPE -- A NORMAL BUSINESS SIZE ENVELOPE THAT CAME FROM COLUMBIA -- AND IN THE ENVELOPE THERE WAS CONTAINED WHAT APPEARED TO BE TWO PAPER TOWELS. THE PAPER TOWELS WERE DRY AND FOR THE MOST PART APPEARED AS IF THEY WERE SIMPLY THAT -- PAPER TOWELS. HOWEVER, THE TOWELS HAD BEEN SOAKED IN COCAINE, AND THEN DRIED, AND PLACED IN THE ENVELOPE AND MAILED TO THIS COUNTRY. WHEN THE ENVELOPE ARRIVES AT ITS DESTINATION THE SMUGGLERS' ACCOMPLICES TREAT THE SOAKED PAPER TOWELS VIA A NOT TOO TERRIBLY COMPLICATED CHEMICAL PROCESS, AND EXTRACT FROM THE PAPER TOWELS THE COCAINE IN A POWDER FORM. IN THE ONE ENVELOPE THAT I SAW, WHICH WAS DETECTED VIA ONE OF OUR DETECTOR DOGS, WE EXTRACTED OUT OF THOSE TWO SMALL PAPER TOWELS, COCAINE WHICH HAD A STREET VALUE CLOSE TO \$80,000.

MR. CHAIRMAN, WE ALSO FACE A SIGNIFICANT SMUGGLING THREAT AT OUR SEAPORTS. THERE, THE THREAT IS NARCOTICS WHICH ARE BROUGHT INTO THE COUNTRY PRIMARILY HIDDEN IN CONTAINERS. AGAIN, THIS IS A DIFFICULT AREA TO POLICE AND ONE THAT DEPENDS ON OUR PATROL OFFICERS AND INSPECTIONAL TEAMS DOING A THOROUGH JOB

SEARCHING THOSE VESSELS AND THOSE CONTAINER SHIPMENTS WHICH COME FROM OR ARE TRANSHIPPED FROM HIGH RISKS AREAS.

OUR INSPECTORS RELY PRIMARILY ON SELECTIVITY AND INTELLIGENCE TO ACCOMPLISH THIS ENORMOUS INSPECTION TASK.

MR. CHAIRMAN, ONE AREA THAT HAS RECEIVED A LOT OF ATTENTION AND A GREAT DEAL OF PUBLICITY IS THE THREAT WE FACE IN THE AIR FROM SMUGGLERS WHO ARE BRINGING MARIJUANA AND COCAINE AND METHOQUALONES IN TO THE COUNTRY VIA PRIVATE AIRCRAFT. THIS IS A MAJOR, MAJOR THREAT TO US AND WE HAVE INVESTED SIGNIFICANT RESOURCES IN ORDER TO COMBAT IT.

PRINCIPALLY, WE FACE A THREAT OF ILLICIT NARCOTICS BEING FLOWN INTO THE COUNTRY CLANDESTINELY VIA PRIVATE AIRCRAFT THAT IS ORIGINATING FROM SOUTH AMERICA, CENTRAL AMERICA, AND THE CARRIBEAN AREA, PRINCIPALLY, JAMAICA AND THE BAHAMAS. AS YOU KNOW, FLORIDA HAS BEEN CITED AS THE GREATEST THREAT AREA, THE AREA INTO WHICH PREVIOUSLY MOST OF THESE AIRPLANES BROUGHT THE NARCOTICS INTO.

HOWEVER, ALONG THE SOUTHWEST BORDER, INCREASINGLY IN THE GULF OF MEXICO AND ALONG THE ATLANTIC COASTLINE, WE FEEL ARE AREAS WHICH ARE BECOMING HIGHER RISK AREAS FOR PENETRATION VIA SMUGGLING AIRCRAFT. OUR TACTICS IN TRYING TO COMBAT THIS TYPE OF SMUGGLING GENERALLY SPEAKING ARE AS FOLLOWS:

- WHENEVER AND WHERE EVER POSSIBLE WE TRY TO IDENTIFY TARGET AIRCRAFT VIA THE USE OF RADAR. THIS INCLUDES FAA RADARS, CUSTOMS MANNED RADARS AND MILITARY MANNED RADARS, SUCH AS THE SEEK SKYHOOK, A TEATHERED BALLOON LOCATED IN CUJO KEY, FLORIDA. WE ALSO IDENTIFY AND TRACK SMUGGLER AIRCRAFT WHICH ARE ATTEMPTING TO PENETRATE OUR BORDERS WITH THE USE OF AWACs TYPE AIRCRAFT FROM THE NAVY, AIR FORCE, AND MARINE CORPS.

- TYPICALLY, A SUSPECT AIRCRAFT WILL BE IDENTIFIED VIA RADAR. THE CUSTOMS SERVICE WILL THEN TRY TO LAUNCH A CUSTOMS OPERATED AIRCRAFT FROM ONE OF OUR AIR WINGS IN AN ATTEMPT TO INTERCEPT AND TRACK THE AIRCRAFT. ONCE INTERCEPTED, OUR CUSTOMS PLANE WILL TRY TO CLANDESTINELY TRACK THE AIRCRAFT TO ITS DESTINATION, WHICH IS OFTEN TIMES A REMOTE AIRSTRIP LOCATED SOMEWHERE IN THE SOUTHERN PART OF THE COUNTRY. OUR PILOTS WILL FOLLOW AIRCRAFT MANY TIMES, AT NIGHT WITH LIGHTS OUT AND ATTEMPT, WHENEVER POSSIBLE, TO ACTUALLY GO IN BEHIND THE AIRCRAFT SMUGGLER AND LAND BEHIND HIM WHERE HE IS MAKING HIS CLANDESTINE LANDING. WE ATTEMPT TO PUT AN AIRCRAFT ON THE GROUND IMMEDIATELY BEHIND THE SMUGGLERS AND OFTEN TIMES WHERE POSSIBLE WE TRY AND HAVE HELICOPTERS AVAILABLE TO GO IN AS SOON AS THE AIRCRAFT LANDS MAKING AS MANY ARRESTS AS POSSIBLE.

IN ORDER TO TRACK SMUGGLER AIRCRAFT WE HAVE SOME CUSTOMS PLANES WHICH ARE EQUIPED WITH SOPHISTICATED FIGHTER RADAR WHICH ENABLE OUR AIRCRAFT TO MORE EASILY INTERCEPT SMUGGLER AIRCRAFT. SOME OF OUR AIRCRAFT ARE ALSO EQUIPED WITH FLIR, WHICH IS A FORWARD LOOKING INFRARED DEVICE WHICH HELPS US TRACK THE AIRCRAFT VISUALLY AT NIGHT TIME.

I MENTIONED HELICOPTERS. WE ARE UTILIZING COBRA HELICOPTERS, WHICH WERE MADE AVAILABLE TO US FROM THE MILITARY, AND IN FLORIDA WE ARE TESTING THE BLACKHAWK HELICOPTER ON LOAN FROM THE ARMY. RECENTLY THE BLACKHAWK HELICOPTER WAS INVOLVED IN A VERY LARGE COCAINE SEIZURE IN SOUTH FLORIDA WHICH NETTED 625 POUNDS OF COCAINE. THE COCAINE HAD A STREET VALUE IN EXCESS OF 400 MILLION DOLLARS.

IN DEALING WITH THE AIR THREAT, MR. CHAIRMAN, OUR MAJOR GOAL IS TO EXPAND OUR AIR INTERDICTION CAPABILITIES VIA RESOURCES WHICH HOPEFULLY WILL BE MADE AVAILABLE TO CUSTOMS VIA THE RELAXED POSSE COMITATUS STATUTES.

WE ENVISION THE ACQUISITION OF ADDITIONAL HIGHLY SOPHISTICATED INTERCEPTION AND TRACKING AIRCRAFT WHICH WILL BE RADAR AND FLIR EQUIPED FOR USE IN SMUGGLER AIRCRAFT DETECTION FROM THE MILITARY. THERE ARE LEAD TIMES ASSOCIATED WITH OBTAINING THIS EQUIPMENT AND IT WILL BE DIFFICULT TO BRING IT ON LINE IMMEDIATELY, HOWEVER, WE DO LOOK FORWARD TO RECEIVING THIS EQUIPMENT AS RAPIDLY AS POSSIBLE OVER THE NEXT YEAR OR SO.

ONE NEW PIECE OF EQUIPMENT, A NEW AIRCRAFT, SHOULD BE MADE AVAILABLE TO US BEFORE THE CALENDAR YEAR FOR TESTING AND EVALUATION. WITH THE ACQUISITION OF THIS EQUIPMENT WE WILL BE ABLE TO EXPAND OUR AIR MODULE CONCEPT TO PROVIDE US WITH THE GREATER DETECTION AND INTERCEPTION CAPABILITY IN OTHER GROWING THREAT AREAS, ALONG THE ATLANTIC COAST, IN THE GULF AREA, AND IN THE SOUTHWEST AND WESTERN BORDER AREAS.

MR. CHAIRMAN, I EARLIER MENTIONED THE THREAT WE FACE AT OUR SEAPORTS FROM THE SMUGGLING OF NARCOTICS VIA CONTAINERS ON COMMERCAIL VESSELS. WE ALSO OF COURSE FACE A TREMENDOUS MARINE SMUGGLING THREAT PARTICULARLY IN THE SOUTHERN PART OF OUR COUNTRY, AND THERE WE ARE PRIMARILY FACED WITH SMUGGLERS WHO ARE BRINGING IN LARGE QUANTITIES OF MARIJUANA INTO THE COUNTRY. THE MARIJUANA TYPICALLY IS OFFLOADED FROM LARGER MOTHER SHIPS WHICH MAKE THERE WAY TO NEARBY WATERS FROM COLUMBIA AND THEN THE MARIJUANA IS TRANSFERED TO SEVERAL EITHER SPORTING VESSELS OR HIGH SPEED RECREATIONAL BOATS AND BROUGHT IN TO NUMEROUS LANDING SITES LOCATED ALONG OUR COASTLINE.

OUR STRATEGY IN COMBATTING THIS TYPE OF SMUGGLING CONSISTS PRIMARILY OF EMPLOYING UNMARKED LARGE PLEASURE CRAFT WHICH ARE MANNED BY CUSTOMS PERSONNEL OFF OUR COAST AT STRATEGIC POINTS IN THE OCEAN. THESE LARGER VESSELS ARE EQUIPED WITH SOPHISTICATED RADAR AND SERVE AS PLATFORMS TO IDENTIFY SEA TRAFFIC WHICH IS

COMING IN ALONG THE COAST. WE TRY AND SEPARATE OUT THE COASTLINE TRAFFIC FROM THE TRAFFIC WHICH IS CLEARLY COMING FROM FOREIGN WATERS.

USED IN CONJUNCTION WITH THESE RADAR PLATFORM VESSELS, WE HAVE UNMARKED HIGH SPEED PURSUIT VESSELS WHICH WILL PATROL THE NEARBY AREA AND WHEN A SUSPECT VESSEL IS EITHER IDENTIFIED VIA RADAR OR VISUALLY, WILL ATTEMPT TO INTERCEPT THE VESSEL AND BOARD AND SEARCH IT. WE TRY AND CONCENTRATE OUR MARINE RESOURCES, AGAIN, IN THE HIGH SMUGGLING THREAT AREAS, AND WE VARY THE LOCATION AND HOURS AT WHICH OUR MARINE OFFICERS ARE OUT PATROLLING.

WE HAVE HAD MANY NOTABLE SEIZURES IN THE MARINE AREA AND FREQUENTLY WE FIND MARIJUANA AND HEAVY WEAPONS ON BOARD VESSELS THAT WE SEARCH AND OF COURSE IN THAT INSTANCE WE DO MAKE AN ARREST AND SEIZE THE VESSEL.

MR. CHAIRMAN, WE FREQUENTLY FIND THAT THE SMUGGLERS ARE EQUIPPED WITH THE TOP-OF-THE-LINE VESSELS AND THE LATEST IN COMMUNICATIONS AND NAVIGATIONAL GEAR. THE MONEY TO BE MADE IN THE SMUGGLING OF MARIJUANA IS SO LARGE, AND THE BUSINESS IS OFTEN TIMES SO PROFITABLE, THAT WE ARE GOING UP AGAINST VERY WELL EQUIPED SMUGGLING RINGS THAT HAVE INVESTED HEAVILY IN OBTAINING THE BEST VESSELS POSSIBLE IN THE STATE-OF-THE-ART EQUIPMENT. AND, OF COURSE, WE ARE DELIGHTED WHEN WE ARE ABLE TO

SEIZE A VESSEL THAT WE ARE ABLE TO LATER HAVE FORFEITED TO THE GOVERNMENT AND UTILIZED BY THE CUSTOMS SERVICE TO HELP CATCH OTHER SMUGGLERS.

ALSO IN THE MARINE AREA, WE ARE LOOKING AT OTHER SORTS OF TACTICS, INCLUDING RAPID DEPLOYMENT TACTICS WHERE WE MIGHT BE ABLE TO DEPLOY WITHIN A SHORT TIME FRAME INCREASED NUMBERS OF MARINE PATROL UNITS INTO AN AREA. WE ARE LOOKING AT HAVING THE CAPABILITY WHERE IF WE WANTED TO REACT QUICKLY, WE COULD PUT AN EXPANDED MARINE PATROL IN THE GULF OR ON THE WEST COAST OR IN FLORIDA TO MEET A SURGE IN SMUGGLING TRAFFIC.

WE ARE ALSO CONDUCTING SOME SPECIAL TESTS IN FLORIDA RIGHT NOW ON A TYPE OF DETECTION AN INTERCEPTION TACTIC. IN ANY EVENT, MR. CHAIRMAN, THE THREAT WE FACE IN THE MARINE AREA IS AGAIN TREMENDOUS, ITS ONE PARTICULAR AREA WHERE WE ARE GOING TO TRY AND BEEF UP OUR RESOURCES. A MAJOR GOAL OF MINE AS I CONTINUE AS COMMISSONER OF CUSTOMS IS TO CONCENTRATE MORE TIME AND EFFORT IN THE MARINE AREA.

MR. CHAIRMAN, I HAVE TRIED TO OUTLINE BRIEFLY TO YOU THE NATURE AND THE DIMENSION OF THE THREAT AND NOTE THE FACT THAT THE THREAT WE FACE IS AN AIR THREAT, A LAND THREAT, AND A MARINE THREAT.

IN THE PAST YEAR THE REAGAN ADMINISTRATION HAS TAKEN SEVERAL BOLD STEPS TOWARDS A SOLUTION TO THE DRUG PROBLEM FACING THIS COUNTRY. SOON AFTER I WAS SWORN IN AS COMMISSIONER OF CUSTOMS IN OCTOBER 1981, I WAS ASKED TO MAKE DECISIVE MOVES TO COMBAT THE DRUG SMUGGLING THREAT IN SOUTH FLORIDA. I IMMEDIATELY RELOCATED 102 CUSTOMS PATROL OFFICERS FROM NORTHERN LOCATIONS TO THE SOUTHEAST AND SOUTH CENTRAL REGIONS. ENFORCEMENT RESOURCES WERE ALSO DEPLOYED IN SUPPORT OF THE VICE PRESIDENT'S SOUTH FLORIDA TASK FORCE.

OFFICALLY, THE FIRST ROTATION OF 256 CUSTOMS OFFICERS ASSIGNED TO THE SOUTH FLORIDA TASK FORCE REPORTED TO MIAMI ON MARCH 15, 1982. THEY CONSISTED OF 89 SPECIAL AGENTS, 127 PATROL OFFICERS, 11 INSPECTORS, 1 ANALYST AND 28 SUPPORT PERSONNEL. THIS FIRST 3-MONTH ROTATION COST A TOTAL OF \$7.6 MILLION.

AFTER FOUR ROTATIONS OF 3-MONTHS EACH, CUSTOMS ESTABLISHED 91 NEW PERMANENT POSITIONS IN FLORIDA. 10.5 MILLION DOLLARS HAS BEEN BUDGETED FOR 1983, AND 8 MILLION DOLLARS HAS BEEN REQUESTED FOR 1984 TO SUPPORT THESE NEW POSITIONS.

FROM MARCH 15, 1982, THROUGH MAY 16, 1983, THE VICE PRESIDENT'S TASK FORCE PRODUCED 1,292 ARRESTS, 288 COCAINE SEIZURES (TOTALLING NEARLY 4,200 POUNDS), 500 MARIJUANA SEIZURES (TOTALLING OVER 1.5 MILLION POUNDS), 8 METHAQUALONE SEIZURES (TOTALLING OVER 157,000 DOSAGE UNITS), AND IT SEIZED 69 VEHICLES.

23 AIRCRAFT AND 154 VESSELS WITH A TOTAL VALUE OF OVER 24 MILLION DOLLARS.

THE TRUE IMPACT OF THESE SEIZURE NUMBERS IS MORE DRAMATICALLY MEASURED, HOWEVER, BY THE TREMENDOUS UPLIFTING IN THE SPIRITS OF THE PEOPLE OF SOUTH FLORIDA. EVERY ELECTED OFFICIAL FROM SOUTH FLORIDA WHOM I HAVE TALKED TO OR VISITED WITH HAS NEVER FAILED TO MENTION THE THANKS HIS OR HER CONSTITUENTS HAVE EXPRESSED FOR THE FEDERAL EFFORT THERE. THE PEOPLE SEEM TO HAVE BREATHED A COLLECTIVE SIGH OF RELIEF AT BEING AWAKENED FROM A HORRIFYING NIGHTMARE. BUT THE NIGHTMARE WAS REAL AND THE SAME THREATS STILL EXIST AND ALWAYS WILL, AND IT IS FOR THAT REASON THAT SOUTH FLORIDA WILL CONTINUE TO BE DEALT WITH AS A UNIQUE SITUATION.

ONE FACT WHICH EMERGED FROM THE EFFORT IN SOUTH FLORIDA THAT CANNOT BE IGNORED IS THAT ALL OF THE FEDERAL AGENCIES WHICH PARTICIPATED THERE WORKED TOGETHER AS A COHESIVE UNIT. THERE WAS NO INFIGHTING BETWEEN CUSTOMS AND DEA OR ANY OTHER AGENCY. AND ALL OF THE MEN AND WOMEN THAT I SPOKE WITH WHO PARTICIPATED THERE HAD A TREMENDOUS SENSE OF FULFILLMENT.

THE SOUTH FLORIDA TASK FORCE WAS AN EXPERIMENT THAT UNQUESTIONABLY WORKED, AND THE SPIRIT OF COOPERATION WHICH EXISTED THERE HAS CONTINUED IN THE WORKING RELATIONSHIP'S AMONG OUR AGENCIES. IN MY OPINION, COOPERATION AMONG ALL OF THE

FEDERAL AGENCIES INVOLVED WITH THE OVERALL NARCOTICS EFFORT HAS NEVER BEEN BETTER.

IN AUGUST 1982, PRESIDENT REAGAN RELEASED HIS OVERALL FEDERAL STRATEGY FOR PREVENTION OF DRUG ABUSE AND DRUG TRAFFICKING WHICH DRAWS ON THIS INTERAGENCY COOPERATION. THIS STRATEGY HAS A HEAVY EMPHASIS ON EDUCATION AND PREVENTION PROGRAMS IN AN EFFORT TO REDUCE THE SIZE OF THE DRUG USE POPULATION, ESPECIALLY AMONG OUR NATION'S YOUTH.

THE DRUG LAW ENFORCEMENT PORTION OF THE FEDERAL STRATEGY WAS PREPARED WITH SIGNIFICANT INPUT FROM THE CUSTOMS SERVICE. THE STRATEGY INCORPORATED THE RECOMMENDATIONS OF THE REPORT OF THE WORKING GROUP ON DRUG SUPPLY REDUCTION TO THE ATTORNEY GENERAL AND THE CABINET COUNCIL ON LEGAL POLICY. THE MEMBERSHIP OF THE WORKING GROUP INCLUDED CUSTOMS SERVICE PERSONNEL. IN ADDITION, THE ASSISTANT COMMISSIONER, OFFICE OF ENFORCEMENT CHAIRED THE INTERDICTION TASK FORCE WHICH REPORTED TO THE WORKING GROUP.

I AGREE VERY STRONGLY WITH THE RECOMMENDATIONS OF THE FEDERAL STRATEGY WITH REGARD TO THE INTERDICTION OF NARCOTICS AT THE BORDER. IN FACT, SEVERAL OF THE RECOMMENDATIONS HAVE ALREADY BEEN IMPLEMENTED.

THE PRESIDENT'S STRATEGY CALLED FOR THE DEVELOPMENT AND IMPLEMENTATION OF FEDERAL INITIATIVES TO MEET SEVERAL OBJECTIVES

REGARDING BORDER INTERDICTIONS. I WOULD LIKE TO FOCUS FOR A MOMENT ON 4 OF THE PRESIDENT'S OBJECTIVES AND THE CUSTOMS SERVICE'S ACCOMPLISHMENTS IN EACH. THESE 4 OBJECTIVES ARE:

- DEVELOPING POLICIES AND PROCEDURES FOR USE OF MILITARY ASSISTANCE, NOW POSSIBLE UNDER THE EXCEPTION TO THE POSSE COMITATUS ACT, WITH EMPHASIS ON INTEGRATING REQUIREMENTS FOR DRUG SMUGGLING INFORMATION INTO MILITARY OPERATIONAL AND TRAINING ACTIVITIES.
- INCREASING EFFECTIVENESS OF INTERCEPTING DRUGS SMUGGLED BY AIR AND SEA.
- INCREASING THE EFFECTIVENESS OF INTERDICTION AT PORTS OF ENTRY.
- IMPROVING FOLLOW-UP INVESTIGATIONS OF INTERDICTION SEIZURES AND ARREST TO ENHANCE THE QUALITY OF DRUG SMUGGLING INTELLIGENCE AND PROSECUTIONS.

IN DECEMBER 1981, CONGRESS ENACTED LEGISLATION WHICH CLARIFIED THE POSSE COMITATUS STATUTE TO ALLOW THE PARTICIPATION OF THE MILITARY IN CERTAIN DRUG INTERDICTION EFFORTS. IN CONJUNCTION WITH THE PRESIDENT'S OBJECTIVE IN THIS AREA, AND WITH TREMENDOUS COOPERATION FROM SEVERAL CONGRESSIONAL COMMITTEES MOST NOTABLY THE HOUSE SUBCOMMITTEE ON INFORMATION, JUSTICE AND

AGRICULTURE AND THE SENATE AND HOUSE APPROPRIATIONS COMMITTEES, THE CUSTOMS SERVICE HAS BEEN ABLE TO AVAIL ITSELF OF A TREMENDOUS WEALTH OF MILITARY RESOURCES.

THE DEPARTMENT OF DEFENSE HAS BEEN ESPECIALLY SUPPORTIVE AND HAS LOANED TO THE CUSTOMS SERVICE, NAVY E2C HAWKEYES (OR MINI AWACS) WHICH ARE USED TO SPOT LOW FLYING AIRCRAFT, MARINE OV-10'S WHICH ARE USED AS TRACKER AIRCRAFT, AND OF PARTICULAR IMPORTANCE, ARMY COBRA AND BLACK HAWK HELICOPTERS FOR USE AS INTERDICTION AIRCRAFT. THE AIR FORCE HAS ALSO PROVIDED EXCELLENT RADAR COVERAGE FROM ITS SEEK RADAR BALLOON AT CUJO KEY, AND PLANS TO PROVIDE US WITH INFORMATION FROM AN ADDITIONAL BALLOON IN THE BAHAMAS.

MR. CHAIRMAN, I CANNOT OVERSTATE HOW VALUABLE THIS ASSISTANCE FROM THE DEPARTMENT OF DEFENSE HAS BEEN. AND FOR THE RECORD, I WANT TO THANK SECRETARY WEINBERGER AND HIS ASSISTANTS. TOGETHER THIS EQUIPMENT HAS PROVIDED US WITH THE PUNCH NECESSARY TO KEEP AIR SMUGGLERS OUT OF FLORIDA, TO MAKE THE SMUGGLERS' EFFORT EXTREMELY DIFFICULT AND FAR MORE HAZARDOUS, AND IF THEY STILL CHOOSE TO RUN THE GAUNTLET OF THIS MILITARY ARSENAL, TO GREATLY INCREASE THEIR RISK OF BEING CAUGHT.

I MENTIONED BEFORE THAT THE HELICOPTERS WERE OF PARTICULAR IMPORTANCE. PRIOR TO THE ARRIVAL OF THE COBRA HELICOPTERS, CUSTOMS OFFICERS WERE REQUIRED TO TAKE THE SAME TREMENDOUS RISKS

AS THE DRUG SMUGGLERS BY LANDING THEIR CHASE AIRCRAFT ON BACK ROADS, ON GRASS LEVEES, OR AT DESERTED AIRFIELDS. BY SOME MIRACLE NO CUSTOMS OFFICER WAS KILLED; HOWEVER, SEVERAL PLANES WERE TOTALLY DESTROYED. ONE CRASH IN PARTICULAR, IN CLEVELAND, TENNESSEE CAME AFTER A LIGHTS OUT CHASE ACROSS THE SOUTH.

THE SMUGGLERS HAD LANDED AT A CLOSED AIRFIELD AND THEIR ACCOMPLICES HAD DRIVEN A CAR INTO THE MIDDLE OF THE BLACKED-OUT RUNWAY.

THE CUSTOMS OFFICER FOLLOWING IN HIS PLANE, FLYING STILL WITH LIGHTS OUT, LANDED BEHIND THE SMUGGLER AND DID NOT SEE THE CAR UNTIL IT WAS TOO LATE TO AVOID A CRASH. SOMEHOW THE OFFICERS ESCAPED THE WRECKAGE AMID AVIATION FUEL SPILLED ALL OVER THE RUNWAY.

TODAY THE RISKS ARE STILL GREAT, ALTHOUGH THEY ARE NOT NEARLY AS HIGH AS BEFORE. THE COBRA AND BLACK HAWK HELICOPTERS GIVE US THE SPEED TO KEEP UP WITH A SMUGGLER'S AIRCRAFT, AND THE ABILITY TO LAND IMMEDIATELY BESIDE IT. WE ARE SOMETIMES EVEN ABLE TO ARREST THE SURPRISED SMUGGLERS WHILE THEY ARE STILL SITTING IN THE PLANE. IF WE WERE TO LOOK FOR A MEASURE OF SUCCESS IN THE MILITARY APPLICATIONS IN DRUG INTERDICTION, THE TREMENDOUS REDUCTION OF RISK TO CUSTOMS OFFICERS MUST BE CONSIDERED.

THE MORE TRADITIONAL STATISTICAL MEASURES OF SUCCESS ARE ALSO EVIDENT AS WELL. IN FACT, JUST LAST MONTH, ALL OF THE AIRCRAFT I MENTIONED WERE INVOLVED IN SEIZURES OF OVER 1,500 POUNDS OF COCAINE.

THE MILITARY INVOLVEMENT AS A RESULT OF THE CLARIFICATION OF POSSE COMITATUS HAS THEREFORE HAD ITS GREATEST IMPACT IN OUR AIR INTERDICTION CAPABILITIES. WE ARE NOW LOOKING TO EXPANDING THAT AS WELL TO OTHER PARTS OF THE UNITED STATES, IN PARTICULAR ALONG THE SOUTHWEST BORDER.

THE PRESIDENT'S DRUG STRATEGY ALSO DIRECTED THE CUSTOMS SERVICE TO MAKE A MORE TENACIOUS EFFORT TO FERRET OUR DRUG SMUGGLERS AT OUR NUMEROUS PORTS OF ENTRY. TO ACCOMPLISH THIS, CUSTOMS HAS EMPLOYED NEW AND MORE EFFECTIVE METHODS OF PROCESSING ARRIVING PASSENGERS AND CARGO. IN MY TERM AS COMMISSIONER, I HAVE STRESSED SELECTIVITY AS THE KEY TO SOLVING THE SO-CALLED "CUSTOMS DILEMMA." FOR THOSE OF YOU WHO ARE NOT FAMILIAR WITH THE TERM -- THE CUSTOMS DILEMMA IS THE CONTRADICTION THAT IS SUPPOSED TO EXIST BETWEEN THE TWO CUSTOMS MISSIONS.

ON THE ONE HAND, CUSTOMS IS TO MOVE PASSENGERS AND CARGO AS EXPEDITIOUSLY AS POSSIBLE -- A MISSION THAT IS KNOWN IN THE TRADE AS "FACILITATION." ON THE OTHER HAND, WE ARE SUPPOSED TO ENFORCE THE LAW.

THE CUSTOMS DILEMMA ASSERTS THAT THESE TWO OBJECTIVES ARE IRRECONCILABLE.

I HAVE SOUGHT TO INSTITUTE MORE SELECTIVE PROCESSING SYSTEMS. TO SLAP THE SIMPLE "TRAFFIC TICKET" VIOLATOR ON THE WRIST OR NOT EVEN CONCERN OURSELVES WITH HIM OR HER, AND CONCENTRATE MORE ON THE HARD CORE CRIMINAL ACTIVITY WHICH WE KNOW EXISTS.

IN OTHER WORDS, IF A LITTLE OLD LADY WERE TO COME THROUGH CUSTOMS WITH AN IVORY PILL BOX, WE WOULD CONFISCATE IT FROM HER AND SAY DON'T DO IT AGAIN. WHERE AS BEFORE, AN INSPECTOR WOULD BE REQUIRED TO PUT HER THROUGH THE ORDEAL OF A LENGTHY PENALTY PROCEDURE, TYING UP BOTH THE INSPECTOR'S TIME AND HERS. BUT IF THE SAME LADY WERE TO COME THROUGH CUSTOMS WITH A POUND OF COCAINE, SHE COULD LOOK FORWARD TO SPENDING A GREAT DEAL OF TIME IN JAIL.

WE ARE NOT OVERLOOKING SMALL VIOLATIONS, BUT RATHER LEAVING MORE DISCRETION TO THE INSPECTOR. IF THE LITTLE OLD LADY WITH THE PILL BOX WERE ON A FLIGHT FROM COLUMBIA TO MIAMI, THE INSPECTOR BEFORE WOULD HAVE BEEN FILLING OUT THE FORMS WHILE A SMUGGLER WALKED BY WITH 20 POUNDS OF COCAINE. TODAY THE INSPECTOR CAN LEAVE THE LADY ALONE AND SPEND MORE TIME LOOKING FOR THE SMUGGLER.

WE HAVE ALSO UNDERTAKEN A MASSIVE PROGRAM TO STREAMLINE CUSTOMS AIR PASSENGER PROCESSING SYSTEMS AROUND THE COUNTRY. NEW SYSTEMS HAVE RECENTLY BEEN INSTALLED IN HOUSTON, CHICAGO, LOS ANGELES AND MIAMI, AND JUST MONDAY I OFFICIALLY OPENED THE NEW SYSTEMS INSTALLED AT JOHN F. KENNEDY AIRPORT IN NEW YORK WHICH YOU MAY HAVE READ ABOUT IN THE NEW YORK TIMES YESTERDAY.

ALL OF THESE SYSTEMS AROUND THE COUNTRY HAVE REDUCED PASSENGER WAITING TIME SIGNIFICANTLY. IN FACT ON MAY 31 (LAST MONDAY), THE MIAMI HERALD PRINTED AN EDITORIAL WHICH PRAISED THE NEW PASSENGER PROCESSING SYSTEM THERE FOR ITS SPEED AND EFFICIENT HANDLING OF PASSENGERS.

THESE NEW SYSTEMS, WHILE GOOD NEWS FOR THE LEGITIMATE PASSENGER ARE ALSO BAD NEWS FOR THE SMUGGLER.

AT MIAMI AIRPORT, PASSENGERS ARE CLEARING THE AIRPORT -- FROM THE PLANE, THROUGH CUSTOMS, AND OUT THE DOOR -- IN LESS THAN 35 MINUTES. AT THE SAME TIME, THE AMOUNT OF COCAINE SEIZED IS UP 80 PERCENT.

AT LOS ANGELES, THE LONG DELAYS THAT WERE COMMON PLACE ARE ALL BUT GONE, AND THE AMOUNT OF COCAINE SEIZED IN THE 1982 FISCAL YEAR WAS UP 141 PERCENT.

PASSENGERS LANDING IN HOUSTON ARE CLEARING THE AIRPORT IN 45 MINUTES, AND OUR COCAINE SEIZURES THERE ARE UP MORE THAN 4,000 PERCENT. OF COURSE IN 1981, WE ONLY SEIZED FOUR OUNCES -- EVEN SO, THE INCREASE TO MORE THAN 11 POUNDS THE FOLLOWING YEAR IS REMARKABLE.

IN NEW YORK, THERE IS EVERY REASON TO EXPECT SIMILAR RESULTS, ESPECIALLY AS THE RED/GREEN CLEARANCE SYSTEM GROWS IN EFFICIENCY.

AUGMENTING THIS STRATEGY ARE A NUMBER OF OTHER DEVICES AND TECHNIQUES:

- A WALK-THROUGH DEVICE WHICH DETECTS NARCOTICS ON A PASSENGER OR IN HIS LUGGAGE. IT HAS BEEN TESTED AT HOUSTON INTERCONTINENTAL, AND WILL UNDERGO FURTHER TESTING AT MIAMI INTERNATIONAL.
- AN OPTICAL SCANNER THAT "READS" SPECIALLY MADE U.S. PASSPORTS TO DETECT FRAUD OR FORGERY IS BEING TESTED AT O'HARE AIRPORT IN CHICAGO.
- ALL INSPECTORS AT MAJOR U.S. AND PRECLEARANCE AIRPORTS HAVE BEEN TRAINED IN BEHAVIORAL ANALYSIS. THUS THEY CAN IDENTIFY THE SIGNS OF STRESS EXHIBITED BY PEOPLE WHO MAY BE TRYING TO SMUGGLE SOMETHING INTO THE UNITED STATES.

- THIS TRAINING HAS INCREASED THE EFFECTIVENESS OF OUR ROVING INSPECTORS. WE NOW HAVE "ROVERS" AT MOST MAJOR AIRPORTS. THEY MORE THROUGHOUT THE CLEARANCE AREAS LOOKING FOR TELL-TALE BEHAVIOR.

FINALLY, PASSENGERS WILL FIND LESS OF THEIR TIME TAKEN UP WITH FILLING OUT FORMS, BECAUSE WE'VE COMPLETELY REVISED THE CUSTOMS DECLARATION FORM. THE REVISED FORM IS BEING REVIEWED BY THE TREASURY DEPARTMENT. IT CAN BE COMPLETED IN HALF THE TIME IT TOOK TO FILL OUT THE OLD FORM.

SELECTIVITY AND SIMPLICITY AS IN THE PROCESSING OF PASSENGERS ARE ALSO OUR GUIDING PRINCIPLES IN THE HANDLING OF CARGO. AS YOU'RE NO DOUBT AWARE, INFORMATION ON ARRIVING CARGO IS SUBMITTED TO US ON AIRLINE OR VESSEL MANIFESTS -- REAMS OF PAPER THAT CUSTOMS INSPECTORS HAVE TO SCRUTINIZE.

THERE'S NO QUESTION IN OUR MINDS ABOUT THE NEED TO AUTOMATE THIS PROCESS. SO WE'RE WORKING WITH THE OCEAN CARRIERS TO ABSORB EXISTING SYSTEMS INTO A NATIONAL STANDARD. SUCCESS WITH THE OCEAN CARRIERS WILL UNDOUBTEDLY HELP AIRLINE OPERATIONS.

RIGHT NOW, WE'RE WORKING DIRECTLY WITH THE AIRLINES TO TEST THE USE OF THE AIR WAYBILLS INSTEAD OF CUSTOMS MANIFESTS. THAT WILL SAVE YOUR INDUSTRY THE EXPENSE OF REPRODUCING CARGO INFORMATION. BUT IT WILL ALSO PERMIT US TO TRY AUTOMATED

MANIFESTS AGAIN. TESTING IS ALREADY UNDERWAY AT JFK IN NEW YORK AND LOS ANGELES AIRPORT.

THE LOGICAL EXTENSION OF OUR EFFORTS WILL BE THE USE OF AIR WAYBILLS TO MOVE CARGO IN BOND TO INTERIOR PORTS FOR CLEARANCE. SOMETIME THIS SUMMER, WE'LL TEST THIS PROCEDURE AT LOS ANGELES AIRPORT.

THESE EFFORTS ARE THE PRODUCT OF A JOINT WORKING GROUP COMPOSED OF AIR CARRIERS AND CUSTOMS OFFICIALS, AND THEIR NET EFFECT IS THE MORE RAPID TREATMENT OF PASSENGERS AND CARGO WITH GREATER EFFICIENCY IN THE INTERDICTION OF NARCOTICS. EVEN IN A TIME OF INCREASINGLY AUSTERE BUDGETS, I FEEL THAT CUSTOMS HAS EXERCISED A HIGH LEVEL OF FISCAL RESPONSIBILITY WITHOUT SACRIFICING THE NECESSARY SERVICES WE PERFORM FOR THE BUSINESS AND TRADE COMMUNITIES AS WELL AS FOR THE POPULATION AS A WHOLE.

FINALLY, I WOULD LIKE TO MENTION TWO OTHER MAJOR RESPONSIBILITIES OF THE CUSTOMS SERVICE, NAMELY OUR INVOLVEMENT IN THE PRESIDENT'S 12 NEW ORGANIZED CRIME DRUG ENFORCEMENT TASK FORCES, AND IN THE NEW NATIONAL NARCOTICS BORDER INTERDICTION SYSTEM (NNBIS).

CUSTOMS IS A MAJOR PARTICIPANT IN THE NEW DRUG ENFORCEMENT TASK FORCES WITH OUR DEDICATED COMMITMENT OF 200 POSITIONS. AT THE SUPERVISORY LEVEL, CUSTOMS IS ASSIGNING A SENIOR SPECIAL

AGENT TO BE IN EACH OF THE TASK FORCE'S 12 CORE CITIES. THE REMAINDER OF THE 200 OFFICERS ARE PRIMARILY SPECIAL AGENTS AND FINANCIAL ANALYSTS WHO INVESTIGATE CRIMINAL MONEY LAUNDERING OPERATIONS. IN ADDITION TO THESE CUSTOMS OFFICERS, THE PRINCIPAL ENFORCEMENT OFFICER FOR CUSTOMS IN EACH OF THE 12 CITIES WILL SERVE ON THE TASK FORCE ADVISORY COMMITTEE WHICH IS DESIGNED TO ENSURE THAT EACH PARTICIPATING AGENCY'S MISSION AND AREA OF RESPONSIBILITY ARE EFFECTIVELY USED ON TASK FORCE PROJECTS.

MR. CHAIRMAN, THUS FAR CUSTOMS HAS HIRED PEOPLE FOR 23 OF THE 27 FIELD LOCATIONS WHERE OUR OFFICERS WILL BE LOCATED. WE ARE MOVING RAPIDLY TO FILL OUR ALLOTTED STAFFING CEILINGS IN EACH OF THESE 27 OFFICES AND I FEEL WE ARE WELL ON TRACK TO BECOMING 100 PERCENT OPERATIONAL IN THE NEAR FUTURE.

WITH REGARD TO NNBIS, I PERCEIVE THAT THE CUSTOMS SERVICE WILL PLAY A PIVOTAL ROLE IN THE DEVELOPMENT, IMPLEMENTATION AND COORDINATION OF THIS NEW SYSTEM.

WE HAVE SUBMITTED A COMPREHENSIVE PROPOSAL TO THE DEPARTMENT OF THE TREASURY WHERE DECISIONS ABOUT THE LEVEL OF CUSTOMS PARTICIPATION WILL BE MADE. THE PROGRAM IS STILL IN ITS PLANNING STAGES, BUT I AM ENCOURAGED THAT THE WHITE HOUSE HAS ADDRESSED THE ISSUE OF COORDINATING THE MANY FACETS OF THE WAR AGAINST DRUG SMUGGLING AND I LOOK FORWARD TO A RAPID IMPLEMENTATION OF THIS EFFORT.

MR. CHAIRMAN, ALL OF THE ACTIVITIES ABOUT WHICH I HAVE DISCUSSED TODAY, OUR ACTIVITIES IN TRYING TO INTERDICT DRUGS ON THE LAND, SEA, AND AIR, ARE REALLY ALL CLOSELY LINKED. WE ARE REALLY TRYING TO DO THE SAME THING. WE ARE TRYING TO STOP THE DRUGS AND PUT DRUG SMUGGLERS IN JAIL. BUT I THINK AS YOU CAN SEE, THE THREAT WE FACE IS A VARIED THREAT. BUT, THERE IS ONE AREA THAT IMPACTS THE THREAT AS A WHOLE, GENERALLY, AND IS AN AREA THAT CAN HELP EACH COMPONENT OF OUR RESPONSE AND STRATEGY TO THE THREAT FUNCTION BETTER, AND I AM TALKING ABOUT THE AREA OF INTELLIGENCE COLLECTION.

THE COLLECTION AND PROCESSING OF BOTH STRATEGIC AND TACTICAL INTELLIGENCE IS AWFULLY IMPORTANT, NOT ONLY TO THE CUSTOMS SERVICE, BUT TO THE COAST GUARD, FBI, AND THE DEA AS WELL. THE COLLECTION AND PROCESSING OF USEFUL INTELLIGENCE INFORMATION IS ONE MAJOR AREA THAT I FEEL COULD BE AND NEEDS TO BE VASTLY IMPROVED WITHIN THE CUSTOMS SERVICE. AND, LIKE THE OTHER ENFORCEMENT AREAS WE HAVE BEEN WORKING ON, WE HAVE TARGETED THE INTELLIGENCE AREA AS ONE THAT NEEDS TO BE STRENGTHENED AND ENHANCED.

I HAVE FORMED A NEW OFFICE WITHIN CUSTOMS, THE OFFICE OF INTELLIGENCE SUPPORT, THAT IS TASKED WITH DEVISING AND IMPLEMENTING A COMPREHENSIVE PLAN THROUGHOUT THE CUSTOMS SERVICE FOR THE COLLECTION AND UTILIZATION OF INTELLIGENCE DATA. WITHIN THE LAST 30 DAYS, I HAVE AUTHORIZED 66 POSITIONS TO BE DEDICATED TO THIS ENHANCED INTELLIGENCE COLLECTION EFFORT.

MR. CHAIRMAN, IT TAKES A LONG TIME TO BUILD UP A CREDIBLE SYSTEM AND NETWORK OF INTELLIGENCE COLLECTION, BUT WE NEED TO DO IT AT THE CUSTOMS SERVICE AND WE ARE MOVING IN THAT DIRECTION, AND I THINK THAT IN TIME WE WILL HAVE CONSTRUCTED A VERY VALUABLE AND EFFICIENT INTELLIGENCE OPERATION WHICH EXTENDS DOWN THROUGHOUT OUR REGIONS AND DISTRICTS, AND ONE WHICH SHOULD HELP PAY OFF IMMENSELY IN OUR EFFORTS TO INTERDICT DRUGS. THIS IS ANOTHER AREA IN WHICH I AM PERSONALLY INTERESTED AND AM DEVOTING MY PERSONAL ATTENTION TO TRYING TO IMPROVE.

MR. CHAIRMAN, I WOULD ALSO LIKE TO MENTION THAT THERE ARE OF COURSE, SOME LEGISLATIVE REMEDIES WHICH WOULD BENEFIT NOT ONLY CUSTOMS, BUT THOSE AGENCIES WHICH ARE INVOLVED IN TRYING TO DO SOMETHING ABOUT THE TERRIBLE PROBLEM OF NARCOTICS, BUT WOULD PROBABLY BENEFIT LAW ENFORCEMENT GENERALLY. I HAVE HERE A LIST OF LEGISLATIVE MEASURES THAT WE FEEL WOULD BE HELPFUL TO OUR EFFORTS IF THE CONGRESS WERE TO ADDRESS. THEY INCLUDE SUCH THINGS AS DOING SOMETHING ABOUT THE PROBLEM OF ADMINISTRATIVE FORFEITURE AND HELPING TO SPEED THAT UP, TIGHTENING UP OF CERTAIN FAA REQUIREMENTS FOR PILOTS, WHICH I UNDERSTAND IS UNDER CONSIDERATION HERE IN THE HOUSE, AND A NUMBER OF OTHER MEASURES. I WOULD, IF PERMISSABLE, SIMPLY SUBMIT A LIST OF THEM FOR THE RECORD.

MR. CHAIRMAN, I LOOK BACK ON MY 20 MONTHS AS COMMISSIONER OF CUSTOMS, AND I CREDIT MUCH OF WHAT HAS TAKEN PLACE IN THE EFFORT TO STEM THE FLOW OF DRUGS INTO THIS COUNTRY IN LARGE PART TO ONE DOMINANT FACTOR. STRONG LEADERSHIP FROM PRESIDENT REAGAN. HE HAS DEVELOPED A SOUND STRATEGY TO FIGHT THE TOTAL PROBLEM. HE HAS MADE SWIFT AND SURE MOVES TO HALT THE FLOW OF DRUGS THROUGH SOUTH FLORIDA AND HE HAS LED THE WAY TO DEVELOPING A COORDINATED ATTACK USING EVERY TOOL AVAILABLE TO THE FEDERAL GOVERNMENT.

WHEN I BECAME COMMISSIONER OF THE CUSTOMS SERVICE, I WAS TOLD BY SECRETARY REGAN TO REBUILD THE CUSTOMS SERVICE INTO THE LAW ENFORCEMENT AGENCY THAT IT INDEED SHOULD BE. I FEEL THAT WE ARE WELL ON OUR WAY TO THAT GOAL. AND WHILE DRUGS ARE STILL REACHING OUR CITY STREETS, I FEEL THAT BY ANY STANDARD, THE CUSTOMS SERVICE HAS BEEN AN IMMENSELY SUCCESSFUL LAW ENFORCEMENT AGENCY.

MR. CHAIRMAN, I HAVE ATTACHED RESPONSES TO THE 20 QUESTIONS YOU SENT ME ON MAY 11, AND WITH YOUR CONSENT I WOULD LIKE TO HAVE THEM SUBMITTED FOR THE RECORD.

THIS CONCLUDES MY FORMAL STATEMENT. I WOULD BE HAPPY TO ANSWER ANY QUESTIONS YOU MAY HAVE AT THIS TIME.

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